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MARGINAL COLUMN

By ARTHUR SAUL SUPER

IT is an interesting reflection that, in the midst of the present international situation, a great national debate at at present in progress here on the proposal put forward some months ago to introduce into the national school system the teaching of the "consciousness of Judaism and the People of Israel." But if one listens in, as one frequently does, to the discussions which take place in drawing room conversations, in public forums and wherever parents meet to talk about their children, one realises that the question of how religion, in the true sense of the word, can be introduced into one's daily life as a real, purposive factor, is what is troubling people's minds. The reasons are many and varied. Some are common to the thinking of most Western countries; some have a special significance for this country. Elsewhere, the failure of Communism has brought in its train a disillusionment with many of the conclusions of materialist philosophies, and incidentally a breaking down of the naive belief of the late- and post-Victorian age that science would solve all human problems. Today, people are beginning to think that science is posing new problems that only some form of religion can resolve.

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THIS thinking has come to Israel, too. But in an age in which religion is trying to say something to the people of the world everywhere, and is talking to man in his own language and in the terms of his everyday life, in Israel the voice of Judaism is strangely silent insofar as the modern idiom is concerned. It is true that orthodoxy claims that man need have no spiritual worries; all he has to do is to perform the commands of the Torah and carry out the Law which covers every aspect of life, and philosophy can look after itself. But this is a doctrine which can take care of only a small proportion of mystically devoted people. The ordinary person wants religion to say something to him about his own life. He wants answers to the questions which are as old as the human race : Why do the innocent suffer? Why do the wicked seem to prosper? What is man made for? Is life worth living? These are the great questions which religion is called upon to answer, and only for a few can the reply be to immerse oneself completely in the execution of the Commandments and God will take care of the rest. But this view of religion does not stand a chance in Israel either, because it is not brought to the people even by those who hold it. This may be what they believe; but what they do is try to compel people to observe certain of the Commandments, such as the traditional Sabbath, by utilizing the mechanics of our peculiar political system to ensure enforcement of regulations the observance of which should be strictly a matter for individual conscience. One begins to gain the impression that, because of this very pressure, the speculation about the meaning of religion is beginning to take up a greater place in the consciousness of the people in Israel.

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AND so, people begin to ask many questions. "All right," they say, "assuming that we need to interpret the old religion in a new form, how shall we teach it to our children?" That is, indeed, the crux of the problem of introducing a modernized Judaism into Israel. It is difficult to give an answer within the space of a few paragraphs. But the short answer is that in Israel you don't have to. This problem of religious instruction was purely a Diaspora worry. There, we had to deal with the question of teaching some Hebrew, so that the child could take part in the service of the synagogue around which the life of the community centred; some Bible, so that he should not grow up ignorant of his greatest national glory; some history, so that he should be linked with his past, and some formal notions of the traditional festivals and observances so that his life should have some kind of Jewish pattern. In most of these objects Diaspora teaching of Judiasm does not largely succeed. In Israel, the child gets all of these things in abundant measure in his school and in daily life. So there is only "religion" to teach. And religion is the one thing you cannot teach a child. The answer, then, is that if our children are to have a religious attitude towards life, which means a proper feeling of purpose in life and value of life, they must absorb this unconsciously from their parents. The growing tragedy of Israel is that for the parents there is no source which helps them to develop their religious sense and its application to the life of everyday.

Tel Aviv, January 21.

Fuchs Reaches Pole; Will Continue Trek

SOUTH POLE, Monday (Reuter). — Dr. Vivian Fuchs reached the South Pole today and promptly announced that he would leave again in two days' time on the arduous 2,000-km. trek across the ice continent to Scott Base.

He hopes to get there in the first week of March, but said he still has to confer on this with Sir Edmund Hillary, the New Zealand explorer, who himself made the journey from Scott Base earlier this month.

Dr. Fuchs announced his plan to continue his trek in a message to Queen Elizabeth shortly after his arrival here.

Dr. Fuchs and his 11 companions of the Commonwealth Transantarctic Party arrived at the South Pole today and were met by Sir Edmund Hillary, leader of the New Zealand support party.

Vivian Fuchs

The Fuchs party has taken 56 days to battle their way over 1,450 kms. from Shackleton Base on the Weddell Sea, carrying out their programme despite the hazards of snow, ice and crevasses.

They had a cloudless and almost windless day for the last part of their trek, but a groundhaze reduced visibility and made it difficult for watchers at the American Polar scientific station to see the British vehicles across the glittering and dazzling plateau.

Sir Edmund Hillary had flown back to the Pole from Scott Base to welcome Dr. Fuchs with the words, "Hello, Sunny." Dr. Fuchs replied, "Damn glad to see you."

The meeting between the only two living leaders of overland expeditions ever to reach the Pole took place at 1.15 GMT.

For 10 minutes there was a rapid, broken conversation between Dr. Fuchs and many others who crowded round the group to congratulate the Britons.

An array of flags fluttered on the five British vehicles and the three U.S. vehicles which met them, while photographers and newsreel men dodged around recording the scene.

The members of the British party looked tough and iron hard, with tanned faces wreathed in ice-encrusted beards.

Asked if they were going to continue the 3,200-km. Transantarctic journey — overland crossing of the White Continent from one side to the other — all replied, "Yes, we are going on."

Dr. Vivian Fuchs, 49, is an explorer in the romantic tradition of Scott and Shackleton but with a mild and almost donnish manner.

The son of a Thuringian German who came to Britain at the age of 7, Vivian went to St. John's College, Cambridge, to study geology.

His first expedition was to East Greenland and he had made three expeditions to East Africa before being awarded his Ph.D. in 1955. During World War Two he served in West Africa and North-West Europe.

From 1947 to 1950 Dr. Fuchs led the Falkland Islands dependencies survey set up to carry out scientific work on the Graham Land Peninsula.

Planning for the Transantartic expedition began in the Antarctic summer of 1955. He went to the Weddell Sea with an advance party to prepare for the "last great overland journey in the world."

Dr. Fuchs is married and has two children. His home is near Cambridge.

Air, Artillery Clash Between China, Formosa

TAIPEH, Monday (UP). — Soviet and American built jet fighters today tangled in the air, while Communist Chinese artillery boomed below, on the air-sea front between the mainland and Formosa.

The Nationalist Chinese Air Force announced that three of their F-86 Sabre-Jets engaged more than 10 Communist MIG fighters in three separate skirmishes off the Chekiang and Fukien coast. All the Nationalist fighters returned safely to base, the Nationalist announcement claimed.

It was the second air battle over the Chinese coast in three days.

Meanwhile the Nationalist Defence Ministry announced that Communist artillery today shelled both the Quemoy and Matsu Island groups. Damage was light and no casualties were reported.

Dayan Back From Foreign Tour

LYDDA AIRPORT, Monday. — The Chief of Staff, Rav-Aluf Moshe Dayan, returned tonight from Rome by KLM after a foreign tour of about three weeks. He participated in Burma's Independence Day celebrations and visited Thailand, India, England, and France and Italy — the latter two countries for a brief stay.

He declared that he had paid courtesy visits to military institutions in England, France, and Italy and had met various acquaintances there. In France, his rank in the French Legion of Honour was raised and he was invested by the French Chief of Staff with the Order of Grand Officer.

Speaking of his visit to Burma, Rav-Aluf Dayan said that he had been greatly impressed and surprised by the Burmese Army and in particular by the youth of its officer corps.

The Chief of Staff was met here by Mr. Shimon Peres, Director-General of the Ministry of Defence, and senior Army Staff officers.

Peace Not an Election Issue, Ike Tells GOP

CHICAGO, Monday (UP).—President Eisenhower called tonight for the removal of peace and security as issues in this year's election, and cautioned Republicans to steer clear of "third-string" candidates if they are to wrest control of Congress from the Democrats.

The President kicked off the Republican Party's congressional drive for 1958 at a $100-a-plate fund-raising dinner here. Similar dinners were held in 43 other cities.

Mr. Eisenhower, speaking before a large dinner audience estimated at 5,600 persons in Donovan Hall, said the first objective of the Republicans — "security and a just peace — is not a partisan or political matter."

"Americans must never and will never let the issue of security and peace become a pawn in anyone's political chess game," he said in his prepared text of less than 1,000 words.

His remarks were carried nationally by radio and television. Other speakers on the same programme included Vice-President Richard Nixon, who introduced the President from New York.

As for the coming campaigns, Mr. Eisenhower said, "right now is the time to make sure that the most talented and devoted members of your community are drawn upon to serve as your Republican candidates."

"When we consider what is at stake in the great world struggle, we realize that America cannot afford to send in a third-string team," he said. "Both parties have their candidates for the team. We want theirs to be good — but we must make ours a team of all stars."

Predicts End To U.S. Recession

WASHINGTON, Monday (Reuter). — President Eisenhower today predicted that the U.S. would soon emerge from the present business decline and go on to vigorous economic expansion.

The President told Congress in his annual economic message that 1957 was a prosperous year, despite the decline in the closing months. In 1958, he said, there were good grounds to believe that the decline would be short-lived and the country would do as well in the next 25 years as in the past quarter century.

However, the President said, the American people could not afford to ignore the lesson of rising prices.

The latest challenge of international Communism could be met "without distorting our economy" or destroying cherished freedoms, he declared.

Mr. Eisenhower made a strong new plea for acceptance of his foreign economic and trade policies as one means of stimulating the economic growth of the U.S.

He also called on management and labour to examine the critical questions of increased costs and excessive wage demands which could lower the dollar's purchasing power and restrict markets and output.

Mr. Eisenhower asked for rapid action to solve "urgent problems" on proposals already disclosed, to meet the nation's needs for strengthening defences, to improve science, education and agriculture.

Observers here said that the confidence of the President's report today seemed to be tempered by the possibility of approaching labour unrest. They believe there is a serious threat of industrial strife in 1958.

Government officials at a press briefing on the economic report declared that wages and prices more than any other factor would in the coming months tilt the economy either towards recovery or continued recession.

That was why the President appealed for restraint in unjustified price increases and in wage demands not matched by higher production.

Trade union leaders here have indicated that they propose to ignore his advice.

European Cooperation On Arms Research

BONN, Monday (Reuter). — Defence Ministers of West Germany, France and Italy meet here tomorrow to discuss closer cooperation of arms research and standardization.

A German Defence Ministry spokesman said it was open to all members of the Western European Union or Nato to accede to any agreements between the three countries. Those organizations were being kept informed of developments, he added.

Asked about reports that the three countries were thinking of the development of short range anti-tank rockets and "European" tanks and fighter aircraft, the spokesman said such things were being considered.

The Ministers are M. Jacques Chaban Dalmas (France), Dr. Franz Strauss (Germany) and Mr. Paolo Emilio Taviani (Italy).

Mollet Regrets Suez Operation Unfinished

By MAURICE CARR,
Jerusalem Post Correspondent

PARIS, Monday. — Addressing a public meeting in Amiens, former Premier Guy Mollet said today that he had presented several members of his Cabinet with a *fait accompli* in the execution of the military operations at the Suez Canal over a year ago, but he reiterated that he had "only one regret — that he was prevented from seeing the job through to the finish."

"In the same way that we helped the Spanish Republicans in 1936. I supplied arms and planes to the admirable people of Israel," M. Mollet said.

Immigration Policy For Coming Year Debated

The Government — Jewish Agency Coordination Committee held a meeting lasting more than three hours in Jerusalem last night and decided to reconvene within a fortnight to determine immigration policy for the fiscal year beginning April.

It is expected that immigration totals for this period will top the 30,000 mark. The meeting of seven Cabinet Ministers and seven members of the Jewish Agency Executive was under the chairmanship of the Prime Minister, Mr. David Ben-Gurion.

It was decided to study the budgetary, absorption, housing and other problems of immigration before deciding on a general policy.

EGYPTIANS UNEARTH 3 TONS OF HASHISH

CAIRO, Monday (Reuter). — Egyptian border authorities made their biggest ever haul of hashish today when they found three tons of the drug buried under the sand south of Rafah on the Sinai Peninsula coast.

Fishermen Recover Nets in Kinneret

TIBERIAS, Monday. — Twenty fishing nets abandoned by their owners in the waters of Lake Kinneret, near the Syrian border, after the shooting incidents Saturday night, were recovered this morning.

Accompanied by a U.N. Observer and by Segen-Mishne Aharon Levy of the Israel-Syrian Mixed Armistice Commission, Tiberias fishermen in 23 boats sailed up today to the north-eastern corner of the Lake, approaching to within 100 metres of the shore, pulled up their nets with the catch inside, and returned home without incident.

French Say Czechs Sold Seized Arms to Rebels

Yugoslavs Demand Return

PARIS, Monday (Reuter). — Official sources here said tonight that the French Government had "long possessed proof" that the arms seized on board the Yugoslav freighter Slovenija off Oran, Algeria, on Saturday had been bought from a Czechoslovak firm by an emissary of the Algerian insurgents.

The sources said the arms were bought and paid for in Prague by an agent of the Algerian National Liberation Front. They said that as France could not tolerate trafficking in arms to the benefit of the Algerian insurgents, there could be no question of the return of the consignment as demanded by the Yugoslav Government.

Yugoslavia today delivered a sharp protest to France over the interception of the 5,818-ton freighter.

The Slovenija arrived in Casablanca today from Oran, where she was taken by two French destroyers on Saturday.

Yugoslavia demanded the immediate release of 148 tons of arms taken from the ship and said she reserved the right to demand compensation for damages.

The Yugoslav official news agency Tanjug said the Slovenija was 45 miles from the Algerian coast when intercepted. It said the ship was taking the arms to Morocco.

(Other reports said the crew had told the French authorities in Oran that they were to have been landed at Casablanca for consignment to the Yemen. An Algiers report said the French authorities had kept the ship under observation for several days).

El Al Holds Both Transatlantic Records

LONDON, Monday. — El Al Airlines claimed today that her Britannia turbo-prop airliners now hold both the West- and East-bound Transatlantic records between London and New York.

The El Al office here said one of its Britannias flew from London to New York last night in 10 hours, 19 minutes less than the previous record held by Pan-American Airlines.

The aircraft carried 49 passengers, and one ton of mail. El Al already holds the Blue Ribbon for its record East-bound flight, New York-London, in 7 hours, 44 minutes.

(Reuter, Itim)

UK Puts Off Cyprus Policy Statement

LONDON, Monday (Reuter). — The Government policy statement on Cyprus, originally expected tomorrow, will be deferred until after the forthcoming Ministerial Council meeting of the Baghdad Pact in Ankara, an authoritative source said today.

In Athens, today, Foreign Minister, Evangelos Averoff said that, according to his best information, the British plans for Cyprus will be announced within 10 days. He was opening a foreign policy debate in Parliament.

In Nicosia it was officially announced tonight that an R.A.F. man was found hanging in a camp near Famagusta. It is understood that the authorities do not suspect the terrorists of the deed.

Ecuador 'Quake Kills 12; Tremors Rock Manila

BUENOS AIRES, Monday (Reuter). — Twelve persons were killed and 45 injured in an earthquake in Esmeraldas Province, north-west Ecuador, according to first reports reaching Buenos Aires today from Quito.

Plane passengers arriving in Quito from Esmeraldas said buildings had collapsed and roads were blocked by craters. The Government is rushing medical aid to the disaster area by air.

In Manila an earthquake today shook the town and its suburbs for 60 seconds. The Philippines Geophysical Office said its epicentre was still undetermined.

Separatist Plot In Sumatra

JAKARTA, Monday (UP).—An Indonesian Army spokesman announced today that the Chief of Staff, Maj.-Gen. Abdul Haris Nasution, will fly this week to Sumatra where a movement has developed to create a "separate state."

Gen. Nasution's visit is connected with "certain problems," the spokesman, Major Harsono said. He said it might be possible that the Chief of Staff will hear official reports by the various regional commanders with regard to attempts to create a Sumatra state. Earlier, Harsono said that documents indicating the existence of a separatist plot were in army hands.

He said Colonel Zulkifli Lubis, whose name has been linked officially with the attempted assassination of President Sukarno, was the chief planner of the Sumatra move. Lubis has been reported living in Padang, in central Sumatra, but Harsono refused to comment on his whereabouts.

The Chairman of the Board of the Standard Oil Company of California, R. G. Follois, arrived in Jakarta today for talks with Indonesian Government officials and to survey a $50m. expansion project in Sumatra.

The Chairman and two Standard Oil Vice-Presidents, Gage Lund and T. L. Nenez, were to remain in the Capital until Wednesday, then fly to the Rumbat district of Central Sumatra.

Sukarno in Pakistan After 'Accord' in Syria

KARACHI, Monday (Reuter). — President Sukarno of Indonesia arrived here by air today from Damascus on a four-day official visit.

During his brief visit to Syria, following his meeting with President Tito in Belgrade, he conferred with the Syrian President, Shukri Kuwatly. They were reported to have discussed President Tito's proposal for a "summit" conference of neutral countries aimed at bringing pressure to bear on the big powers to settle their disputes.

Reliable sources said the two Presidents favoured the Yugoslav leader's move.

The talks also covered Syria's full support of Indonesia's claim to sovereignty over Dutch West New Guinea, the sources said.

Japan-Indonesia Pact Ends State of War

JAKARTA, Monday (Reuter). —Indonesia and Japan pledged themselves to "firm and perpetual peace" in a treaty signed in Jakarta today ending the state of war between the two countries. The signing of the peace treaty and the accompanying war reparations agreement paves the way for normal diplomatic relations and strengthens trade ties between the two nations.

In accordance with the agreement Japan is to pay to Indonesia war reparations totalling $223m. in goods and services and to cancel the Indonesian trade debt of $176.9m.

The two governments agreed that Japanese firms and nationals would advance commercial loans totalling $400m. to help Indonesia's economic development.

Casualty Roll Rises In Algerian Bomb Blast

ALGIERS Monday (Reuter). — Six Europeans were killed and 41 persons were injured, many seriously, when a bomb exploded outside a cafe in the Foreign Legion base at Sidi Bel Abbes, West Algeria yesterday, it was officially stated last night.

This doubled the death toll announced last night. Among those who succumbed to their wounds today was a 20-year-old French teacher, Maurice Thoma.

The explosion, caused by a time bomb left in the carrier bag of a bicycle, turned a public square into a carnage, said witnesses. Windows of houses, shops and cars in the whole district were blown out.

Crowds shrieked as they scurried for shelter and the wounded lay amid pools of blood. Police and army ambulances and private cars rushed the wounded to hospital. Many had to have limbs amputated.

Twenty Algerian insurgents were killed in a series of clashes in the last 24 hours in the Tiemcen area of Oran, military authorities said last night.

Meanwhile it was reported that more than 50 people died in floods which swept the Constantine region of Eastern Algeria during the weekend.

Macmillan Arrives In New Zealand

AUCKLAND, New Zealand, Monday (Reuter). — The British Prime Minister, Mr. Harold Macmillan, and his wife landed at Auckland Airport today. They were met by the New Zealand Prime Minister, Mr. Walter Nash, and the British High Commissioner, Sir George Mallaby. Mr. Macmillan is paying an eight day visit to New Zealand.

SPUTNIK NECROLOGY

MOSCOW, Monday (Reuter). — TASS said tonight that Sputnik No. 1 ceased to exist on January 4.

It was the first official Soviet confirmation that the original satellite had disintegrated.

Bitar Urges U.S. To 'Change Methods'

CAIRO, Monday.—The Syrian Foreign Minisitr, Salah Bitar, called on the U.S. today to "change its methods" in relations with Mid-East nations.

Interviewed on Cairo Radio, Bitar said the restoration of normal relations between Syria and the U.S. is "impossible at present... It will remain so unless the U.S. acts to change its methods of dealing with the Mid-East."

The Foreign Minister went on, "Some imperialist powers considered the Middle East part of their preserve and look on its inhabitants as sheep. They want to be the shepherd." He said that the Eisenhower Doctrine and the Baghdad Pact represented "the great power doctrine of guardianship for this area."

Bitar's talks with Abdul Nasser and other Egyptian leaders on Egyptian-Syrian federal unity, which brought him to Cairo last week, ended yesterday.

Today, the Syrian Foreign Minister and the Chief of Staff, Afif Bizri, again conferred with Abdul Nasser and other high Egyptian officials, but the subjects discussed were not disclosed.

Bitar also conferred with the Saudi Crown Prince, Faisal.

He is to hold further talks in Egypt before returning to Damascus. So far there has been no announcement of the results, if any, of his visit to Cairo. *(UP, Reuter)*

Iraq-Syria Pipeline Talks Break Down

Iraqi-Syrian talks on the future protection of the Iraq Petroleum Company pipeline crossing Syria, have broken down, it is reported by the Arab News Agency. It is understood that the discussions came to an end after Syria refused to have the outstanding questions submitted to the International Court at The Hague.

Angry Engineers Argue Strike Call

Jerusalem Post Reporter

TEL AVIV, Monday. — The Council of the Engineers Union, which convened at the Histadrut Executive building here at 5.30 this evening, was still embroiled in stormy discussion half an hour after midnight with no sign of agreement between the Mapam majority and the Mapai-led opposition.

Mr. Simha Blass head of the Histadrut's Professional Workers' Department, made an impassioned appeal for unity and urged delegates to postpone, at least for a fortnight, the decision to call a day's protest strike on Wednesday.

The discussion had developed into a general attack on the Histadrut leadership and especially on Mr. P. Lavon and Mr. A. Becker, by members of the Mapam-led *Iskidum* faction. Their secretary, Mr. Y. Arad, made an attack unprecedented in this building on the Histadrut paper, "Davar," accusing it of publishing lies.

Dulles Leaves For M-E Tomorrow

WASHINGTON, Monday (Reuter).— Secretary of State Dulles will confer with the Moroccan Foreign Minister, Ahmed Balafrej, at Marrakesh on his way to the Middle East to attend the Baghdad pact meeting later this month, the State Department announced.

Mr. Dulles, accompanied by a party of advisers, is due to take off from Washington on Wednesday and to arrive at Ben Guerir air base, near Marrakesh, the next morning for what the State Department spokesman called a "rest." The stop will last until evening that day when he is due to continue his trip to Teheran.

During the stop-over Mr. Dulles will confer with Balafrej on general U.S.-Moroccan relations.

The Secretary of State is due to arrive in Teheran late in the afternoon of January 24 for talks with Shah Reza Pahlevi and other Iranian Government leaders before going on to Ankara for the Baghdad Pact Ministerial Council meeting. He is expected to be back in Washington on February 1, according to Mr. Lincoln White, Department spokesman.

Asked what was the purpose of the talks in Teheran, Mr. White replied, "The Secretary would like to acquaint himself at first hand with Iranian thinking on current developments."

Mr. White also announced that the chief of the State Department's division dealing with Near Eastern, South Asian and African Affairs, Mr. William Rountree, would accompany Mr. Dulles as far as Ankara, but after the Baghdad Pact meeting he would travel on his own to Greece, Pakistan, India and Ceylon.

Replying to questions, the spokesman said he did not know of anything specific that Mr. Rountree would discuss in Greece and in South Asia. He also said he did not think Mr. Rountree would meet Archbishop Makarios, the Greek Cypriot leader, while in Athens.

CUSTOMS ACCORD

ISTANBUL, Monday (Reuter). — Iraq, Pakistan, Iran and Turkey today signed an agreement to fight against the violation of each other's customs laws and regulations. The four Baghdad Pact members will take measures against smuggling and pledged their mutual cooperation in this field.

Jordan May Recognize Israel, Syrian Claim

Damascus Radio reported yesterday that Arab League circles in Cairo were showing great interest in reports that Jordan and Israel are to open talks on the reopening of the Hebrew University and Hadassah Hospital in the Israel sector of Mount Scopus.

The radio quoted the Cairo daily "El Akhbar" which reported that a high Arab personality in Cairo had said that if these two institutions were reopened it would most likely entail Jordan's recognition of Israel.

Ike Replies to Last Bulganin Message

WASHINGTON, Monday (Reuter). — President Eisenhower today sent another brief letter to Marshal Bulganin acknowledging the Soviet Prime Minister's last message of January 8, in which the Soviet leader urged the convening of a summit conference within two or three months.

The President in his reply said he had dealt in his letter of January 12, with the substantive matters which Marshal Bulganin had raised, and "should further study of your letter indicate that additional response is appropriate I shall communicate with you at a later date."

A report from Rome yesterday said the Italian reply to a similar note from Marshal Bulganin stressed Italy's interest in the Middle East and her readiness to assist in the development of the countries in that area.

Meanwhile, in Berne, the Swiss Federal Government today published its reply to two letters it had received from Marshal Bulganin, and declared its willingness to extend its good offices for the holding of a summit conference in Switzerland, if the interested powers agreed to call one.

Reaffirming Switzerland's traditional policy of neutrality, the Swiss reply said, "Switzerland is always ready, in conformity with this policy, to facilitate contact between the interested powers, with a view to resolving disputes and reducing international tension."

No Problem With Syria, Turkey Says

ANKARA, Monday (Reuter). — Prime Minister Adnan Menderes has told Marshal Bulganin there is no problem existing between Turkey and Syria or any other Arab country.

Mr. Menderes' reply to the Soviet Premier's message of last November 22, advising relaxation of Turkish-Syrian tension to improve relations between Russia and Turkey, was reported last night.

The Turkish Premier said Marshal Bulganin's remarks and views were far from facilitating the realization of Turco-Russian friendship and relations based on reciprocal confidence.

He added that what caused anxiety to Turkey were foreign activities and events brought from outside into Syria which might be damaging to the security of Mid-East, including Syria.

Mr. Menderes said the Bulganin letter indicated that the Russians wish to speak on behalf of Syria and added, on behalf of Syria, and added, "Our Chief of Syria, and added, rity in the Middle East."

Meanwhile, it was officially announced here yesterday that the Turkish Defence Minister, Mr. Ergin, had resigned and that Mr. Ethem Menderes, Minister of Public Works, had been appointed to succeed him.

The State Minister and Deputy Premier, Mr. Ileri, had been appointed Minister of Public Works.

The Defence Minister's resignation is believed to be related to the arrest of nine Army officers accused of plotting against the Government.

Dutch Probe Radiation Case

PUTTEN, Holland, Monday. (UP). — The Dutch Government today ordered an investigation into the circumstances of the contamination by radium radiation of a neighbourhood in this town by a broken radium needle tip lodged in a five-year-old girl's nose, following treatment at Utrecht Hospital.

Meanwhile, the girl, Joke Haanschoten, her three brothers, sister, and parents were placed in isolation at the Hospital. Dr. Piet Muntendam, Director-General of Public Health, said that so far no symptoms of the "Hiroshima Disease" had appeared in any of them, but it was still too early to say whether they had escaped danger entirely. He said that the Haanschoten family would remain in hospital for about three weeks, while Joke herself would be held for observation for a longer period.

The street in which they lived was cordoned off today by police and a plastic cover placed over the yard, while a neighbouring school was closed.

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Social & Personal

Prime Minister Ben-Gurion yesterday received Dr. Joseph J. Schwartz, Vice-President of the Israel Bond Organization, and Mr. Abraham Keller, Controller. Also present were Finance Minister Eshkol, the Director-General of the Prime Minister's Office, Mr. Teddy Kollek, and the Director of Bonds in Israel, Mr. Leo Krown. In the afternoon the Foreign Minister, Mrs. Golda Meir, lunched with the leaders of the Bond Drive at the King David Hotel.

The Prime Minister and Mrs. Ben-Gurion yesterday attended a special showing of the film "The Generation of the Desert" (Dor HaMidbar) at the Ron Cinema in Jerusalem. The short documentary on the Negev was produced by the French film director Mme. Nicole Stephane and narrated by Gerard Philippe. The Minister of Commerce and Industry, Mr. Pinhas Sapir, accompanied the Prime Minister.

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The Danish Minister to Israel, Mr. Hugo Hergel, yesterday toured Jerusalem as the guest of Mayor Agron. He showed particular interest in problems of housing. He was also the luncheon guest of the Mayor. Mr. Hergel, who is also his country's Minister to Greece and Turkey, leaves Israel today.

Mrs. Golda Meir, Foreign Minister, was host to tea yesterday to Mr. and Mrs. Hergel.

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Mr. Yosef Ariel, Director of the Consular Division of the Foreign Ministry, and Mrs. Ariel yesterday gave a farewell reception for Dr. R. Migdal, Deputy Director of the Division, who has been appointed First Secretary at the Israel Embassy in the Netherlands, and Mrs. Migdal. Among those present were the Netherlands Ambassador, Jhkr. Bas Backer; Mr. Hans Gallusser, First Secretary at the Swiss Legation; M. Jean Merrien, the French Acting Consul-General; Mr. G.M. Duran, Uruguayan Consul; Mr. Pavlos Pandermalis, the Greek Diplomatic Representative; Mr. and Mrs. M. Eliachar, and senior Government officials.

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Mr. Katriel Salomon, formerly Military Attache at the Israel Embassies in Washington and in London, has taken up his post as organizer of Mapai's activities in development areas.

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The Haifa Journalists Association has elected Mr. Mendel Singer, Chairman, and Mr. S. Shehori, Dr. E. Amir and Mr. S. Hauser, members of the Executive.

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An exhibition of paintings by the Colombian artist Emma Reyes was opened on Saturday at the Bezalel Museum, Jerusalem, in the presence of the Argentine Ambassador, the Ministers of Mexico, Guatemala and Uruguay, and Government officials.

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BIRTH

KLAJMAN — To Hanna (née Pundik) and Dr. A. Klajman — at the Kaplan Hospital, Rehovot, on January 19 — a son.

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MARRIAGE

FREUND — REZES

The marriage has taken place between Eliezer G. Freund, Electrical Engineer, and Mrs. Rachel P. Rezes, both of Haifa.

Cinemas

JERUSALEM

At 2.30, 6.30 & 8.30 p.m.

ARNON: My Man Godfrey.
EDEN: L'Impero Del Sole.
OR GIL: The Monte Carlo Story.
ORION: The Searchers.
ORNA: Boy On A Dolphin.
RON: 5 Against The House.
SEMADAR: Land of The Pharaohs.
ZION HALL: The Delicate Delinquent.
TEL OR: Tradita.
EDISON: A1 Gunpoint.
STUDIO: The Seven Year Itch.

TEL AVIV

ALLENBY: Esther Costello.
ARMON DAVID: Pyjama Game.
CHEN: Love in the Afternoon.
EDEN: Barnest.
ESTHER: Lust For Life.
MAXIM: Les Sorcieres De Salem.
MIGDALOR: It's Great To Be Young.
MOGRABI: The Deep Blue Sea.
OPHIR: The Last Time I Saw Paris.
ORION: Sissi.
PEER: Wedding Party. Mats.: Anchors Aweigh.
SHDEROTH: Heaven Knows, Mr. Allison.
TAMAR: The Forty-First.
TCHELET: Ihr Leibhusar.
TEL AVIV: Oh For a Man.
YARON: Fedra.
ZAMIR: Paris Canaille.
ZAFON: A King in New York.

HAIFA

GAL OR: Bonzo A Tzar. Mats.: O.K. Nerone.
ORION: Man of A Thousand Faces Mats.: Secret of the Incas.
ATZMON: No Time For Flowers.
MORIAH: The Opposite Sex.
PEER: Hollywood Or Bust.
ARMON: The Forty-First.
EN DOR: Sabre Jet.
ORLY: Anastasia.
AMPHITHEATRE: A Hatful of Rain.
ORAH: Scandale a Milano.
MAY: The Man Who Knew Too Much.

EMERGENCY PHARMACIES

JERUSALEM: Meir, 46 Jaffa, 4192 Whitman, 20 Mea Shearim, 61243.
TEL AVIV: Magen David, 35 Allenby, 68428. Frankel, 28 King George, 23721. Reitblatt, 19 Nahlat Binyamin, Yaffe, 173 Ben Yehuda, 24543. Ziva, Hatikva Qtr., 67407. JAFFA: 6 Rehov 2, 82523.
RAMAT GAN: Lifschitz, 19 Herzl, 71771. PETAH TIKVA: Kuvo, 2 Pinsker. REHOVOT: Barak, 155 Herzl, 95-1566. HOLON: Tikva, Struma Sq. NATANYA: Geva.
HAIFA: Rashi, 86 Bar Giora, 68266. Mercaz, 130 Hanassi, 81979.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Greenwald, 22 Bin Nun, 63963. Dr. Shor, 45 Rashi. Dr. Gal, 24 Hashayarot, Katamon, 2333.
TEL AVIV: Dr. Shaham, 1 Syrkin, 28662. JAFFA: Dr. Weinberg 4 Rehov 68.
HAIFA: Dr. Sherman, 3 Hanevi'im, 3424.

In the Supreme Court Sitting as Court of Criminal Appeal

Judgments of Justice Cheshin and Justice Goitein in the Greenwald libel case (concluded).

Justice Cheshin

Justice Cheshin said that, in view of the great public interest in the case and as a gesture of appreciation to the opposing Counsel who had devoted so much time and effort to it, he felt it incumbent upon himself to add his voice to those of his colleagues despite the fact that their judgments had been detailed, clear and comprehensive.

This case should never have been brought before a court of law, he continued, for four reasons. First the main, and probably the only, object of the respondent had been to question Kastner's moral standards and prove that he was unfit to occupy any prominent public position. It is true that he had actually accused Kastner of crimes of the most heinous nature, but not with the intention that he should be charged in a criminal court and punished for them. His intention had been merely to instigate a public enquiry into Kastner's conduct in Hungary and show him up as unworthy of public office.

The question that had troubled him, therefore, throughout the lengthy and tedious hearings, Justice Cheshin continued, was why the Attorney-General had chosen the respondent as the object of his wrath, when so many similar accusations of a libellous nature had been made by so many others against leading personalities and ordinary everyday people. In these cases either the charges had been examined and, if found to be well-founded, the accused had been tried under the Nazis and Nazi Collaborators Law, or else no one had taken any notice of them. Why the authorities should, therefore, have taken up the cudgels for Kastner in this particular case was a mystery.

Secondly, Justice Cheshin said, from the overwhelming amount and varied nature of the material produced before the court it is possible to conclude that Kastner was either the blackest of the black with the mark of Cain stamped on his forehead, that he was the purest and most righteous of all men, ever ready to lay down his life for the sake of others — all depending on the point of view of the person testifying.

The production of so much variegated material, of which a large part was the fruit of the creative and imaginative powers of its authors or was based on subjective emotional reactions, might be not only justified but essential before a public committee, but certainly was out of place in a court of law conducted according to accepted principles of procedure.

Moral Standards and Criminal Acts

Thirdly, criticism of moral standards and criminal acts was mixed up indiscriminately in the case, as was only natural from its very nature. While hybrid accusations of this nature may have their place before a committee of enquiry, whose duty it is to look upon the facts from a public-moral angle, they have no place in a court of law where everything must be examined from the legal point only, and only if the accusation is proved to the satisfaction of the law should the court accept the plea of truth.

And fourthly, the issue between the parties had been really of the simplest: the respondent having accused Kastner of having done certain acts, the Attorney-General had charged him with libel. All that was necessary, therefore, was for the respondent to have proved that his accusations were not completely unfounded, or that they had been made in good faith.

But with all due respect to both opposing Counsel they had complicated the issue with the introduction of extraneous and irrelevant matter to the extent of producing a practically complete historiography of Hungarian Jewry — which is all very well and desirable before a public committee which could, on the basis of this wealth of information, have produced a report which would have immortalized the events in Hungary and added to the history of Israel a chapter on the errors of Europe. But in a court of law it is not the task of the opposing parties to write history nor to use the court as an arena for airing all manner of controversial political and social questions, nor is it the task of the judge to sit in judgment on such matters.

Justice Cheshin then went on to discuss the nature of the respondent's accusations against Kastner, before considering the case itself. Judge Halevi's separation of the first accusation into two counts had been artificial, he said. For there may be collaboration of a most praiseworthy kind, or at least it may not be objectionable or invalid on moral grounds because of the absence of the element of malicious or evil intent. But the respondent had certainly not intended accusing Kastner of such collaboration. Nor had he accused him of helping the Nazis in general to overcome their enemies — which is also collaboration.

He had accused him of something specific: of collaborating with the Nazis in their policy of extermination and so contributing, if indirectly, to the murder of his fellow-Jews. And it was just this very specific accusation which he had had to prove. Proof of anything less would mean the complete failure of his plea of justification. If Judge Halevi had looked on the libel in this light, instead of dividing it into two counts, and had sought proof of the truth of this specific accusation in the facts, he was doubtful, Justice Cheshin said, whether he would have found it. And what better proof of this was there than Justice Silberg's conclusions — that Kastner had collaborated but that he had *not* contributed indirectly to the murder of Hungarian Jewry!

Turning to consider Judge Halevi's judgment, Justice Cheshin said that it had been built up on certain basic conclusions, each inextricably bound up with the other, so that if one conclusion were destroyed the whole construction would come toppling down. One such conclusion, he continued, was that Kastner had deliberately kept the secret of the destination of the Auschwitz transports, in exchange for the train of the notables. But in the mass of evidence before the court he had not found one slightest hint that Kastner had deliberately imposed a sentence of silence upon himself, either in order to facilitate the gruesome work of the Nazis or because he had given them his word.

Was Kastner Silent, and If So, Why

If he had in fact kept silent; perhaps he had done so because he saw no useful purpose in trying to stir up a sense of danger in people who either would not or could not, believe that such a thing as death in the crematoria of Auschwitz could happen to them; who would not, or could not, believe that they, Hungarian-born and bred, would be treated the same way as the "Cat-Juden" who had come under the sway of Hungary with the annexation of parts of Yugoslavia, Rumania and Slovakia and whose deportation from Hungary by the Germans had been sanctioned by the Hungarian authorities. And this despite the fact that they knew who the Nazis were; that they knew what they had done to the Jews in other parts of Europe, and that they had been warned of the serious danger hanging over their heads.

Perhaps Kastner had been mistaken in this. Perhaps he had not rightly estimated the hidden powers and latent strength of these Hungarian Jews, and perhaps if he, and others, had encouraged them, and fired them with the spirit of revolt, some thousands at least might have risen to strike at the enemy, or some tens of thousands might have saved their lives by escaping or hiding. And if he had been so mistaken, then he revealed himself merely as a poor and undeserving leader, but not as a traitor who had betrayed his people and sent his brothers to destruction.

Or perhaps he had kept silent because he had hoped thereby to achieve the rescue of many more than could have rescued themselves if he had talked. For it must be remembered that at the time he visited Cluj he had not yet despaired of eventually succeeding in buying the safety of the Jews of Hungary from the Nazis, as witness his talks with Wisliceny and the hopes placed in Brandt's mission to Istanbul. And he might have feared that any unrest and revolt would sabotage these efforts.

And, Justice Cheshin continued, even if one were to go so far as to say that Kastner had deliberately kept silent, at the request of the Nazis, in order to save a handful of Jews from the valley of death, would even that be proof of his having collaborated with the Nazis in order to aid them in destroying the great part of Hungarian Jewry? For no one of the vast array of witnesses had ever accused Kastner of knowing full well that by revealing the "secret of the Reich" he would contribute to the rescue of hundreds and thousands of people and yet of deliberately holding his peace. If this had been proved, he would have had no hesitation, Justice Cheshin said, in finding that the respondent had spoken the truth.

But no such thing had been proved. Nor had this question anything to do with the moral argument as to whether a man may kill many in order to save the few, for that belonged to a different field entirely. The question here is whether a man who knows that a whole community of people is doomed to inevitable destruction is entitled to make an effort to save a few by concealing their fate from the whole body of people; or should he reveal the truth to all even though, to the best of his knowledge, by so doing he would condemn both the few and the majority to destruction. The answer to this would seem to be perfectly clear: of what benefit could it possibly be to the majority if the few go to their death together with them. Even Freudiger, against whom no whit of criticism had been heard, had agreed in the District Court — in these days of peace and not in the midst of the turmoil and upheaval of those days — that Kastner's duty had been to rescue even the minority, even one person only, and that if he had been in Kastner's place and had been moved by the same considerations he would have acted the same way.

Greenwald's Plea of Good Faith

Justice Cheshin then turned to the question of what the respondent should have proved in order to benefit from the plea of justification. The trouble, he said, is that the whole case had got out of hand and slipped over the boundaries of law into the kingdom of morals. The respondent had charged Kastner with specific crimes and should have been called upon to prove the truth of these specific charges, in accordance with the law. Instead, all kinds of moral deficiencies were attributed to Kastner.

It is quite possible that Kastner had taken too much upon himself and that he had suffered from many moral defects. It is certain that he made many tactical mistakes, and many are the criticisms levelled against him by the people with whom he worked. But all that can be deduced from this is that Kastner was not the perfect leader. In many respects he was an indifferent one, in many others a positively bad one. But what did that prove? Did it prove that he was a criminal, a murderer, an accessory to murder? And did not the accent on the moral issues lead to a confusion of values and unduly influence the judge in arriving at his final conclusions? For the question is not whether Kastner was, or was not, a man of morals — and on this there is a vast divergence of opinions. Nor is the question whether he was or was not a man fit to lead his people. The question was simply whether he had been an accessory to murder. And this had not been proved. For there is no law which lays down the rules of behaviour for a leader in times of emergency; and no law which imposes criminal liability on a leader who fails to act as a leader should. And if it were to be held that Kastner had collaborated with the Nazis because he did not warn the people of Cluj that they were destined for Auschwitz, then similar charges should be officially laid against Danzig, Herman, Hansi Brandt, Marton and many other leaders and semi-leaders, including even Freudiger himself.

After agreeing that the respondent had proved that Kastner had saved Becher after the war — for what reason remained a mystery — Justice Cheshin went on to consider the respondent's plea of "fair comment" and

Justice Goitein's Judgment

Justice Goitein said he did not think that the plea of truth in section 205 of the Criminal Code was intended to apply to a case of the nature of the present one, in which the result was dependent on the different impression which the thoughts and motives of a leader of Hungarian Jewry during the Nazi occupation made on each individual examiner of those motives and thoughts today. It was difficult to explain otherwise how the same person could be described by Judge Halevi as having "sold his soul to the devil" and by Justice Agranat as "a good Jew who had done his best to save as many of his fellow-Jews as it was possible to save," on the basis of the same evidence. In addition, the kind of truth required to be proved in this case was an historical truth, and not the truth referred to in section 205. The court were asked to do today what only historians may be able to do in 50 or 100 years' time, for it is notorious how unstable, changeable and relative historical truth can be. What is regarded as true today might very well be looked upon in an entirely different way a few years from hence, when other facts come to light or changes in circumstances and approach call for a different appreciation of the same facts.

In short, Justice Goitein held, he did not think that the court was entitled to pass judgment today on Kastner's intentions and thoughts. The correct solution would be for the court to adopt the practice used in Scotland and, in a case of this nature, return a judgment of "not proven." Unfortunately no such procedure exists here.

Justice Goitein then proceeded to make a few comments with regard to the case itself. Besides the factual difficulties which had arisen, he said, there was a by no means easy legal question. As the court was asked to establish today what Kastner's motives were more than 10 years ago, there would appear to be no better way of doing so than through Kastner himself — that is through his testimony before the lower court. But Judge Halevi had found this testimony to be unreliable and the Attorney-General himself had just stopped short of describing it as completely meretricious. It would seem therefore that the respondent had successfully borne the onus of proof laid upon him. For he had succeeded in satisfying the trial judge that the man against whom his allegations had been aimed had lied to the court and had conducted himself in such a manner as to leave the impression on the court that he had something on his conscience and was endeavouring to hide things which did not reflect to his credit.

The Supreme Court had not seen Kastner in the witness box; from the written evidence no clear conclusions as to his motives could be drawn; and, in addition, Judge Halevi's conclusions were not in direct contradiction to the facts, but could be logically derived from them. For these reasons the Supreme Court was debarred from interfering with the District Court judgment. And, in addition, all are agreed that Kastner's intervention had saved Becher from due punishment—which could hardly be said to be consistent with the image of Kastner as a Zionist, nationalist personality, but could, on the contrary, be more closely equated with the picture of Kastner as a collaborator with the Nazis.

It seemed to him, Justice Goitein continued, that because of the nature of the case it was sufficient for the respondent to have brought evidence from which it was possible to derive the truth of what he had written, and that he should not have been required to prove that no other conclusion whatsoever could be drawn from the facts except that which he himself had drawn. He had successfully achieved the first criterion.

Appeal Allowed

Nevertheless, Justice Goitein concluded, he thought the appeal should be allowed and this for the reason that the respondent should have proved the whole of his allegation, it not being sufficient for him to have proved only part of it. From an examination of the respondent's allegations, it was clear that he had accused Kastner of doing what he did for gain. And this latter fact had been dismissed by Judge Halevi. He had, therefore, not proved his libel *in toto* and therefore the appeal should be allowed.

Appeal partly allowed and respondent given a one year's suspended sentence and ordered to pay IL500 costs.

Judgment given on January 15, 16 and 17, 1958.

LAW REPORT

The Jerusalem Post January 21, 1958

Jordan asks for U.N. resolution against Israel tree planting in the Jerusalem area. By arrangement with "Ma'ariv"

Yesterday's Press

THE U.N. AND ARTICLE 8

IF the United Nations, writes **Ha'aretz** (non-party), is to bear the responsibility for the demilitarization of Mount Scopus, it will have to assist Israel in implementing all rights stemming from Article 8 of the Israel-Jordan Armistice Agreement, whose clauses have been thwarted by Jordan recalcitrance. The fact that a new university and university hospital are being erected in the New City does not mean that we have conceded our title to Mount Scopus. Bringing down books and instruments should not be taken to mean that we are evacuating the site for Israel policemen will continue to guard the zone as we look forward to the day when the Mount is restored to its early glory.

Davar (Histadrut) writes that the resounding announcements of success and triumph for Mr. Urrutia are a bit premature, for it is limited by Jordan's studied refusal to come to an agreement on Article 8. Under the prevailing conditions, however, even the most partial accord should not be belittled.

Real Issue

Herut notes that hard on the news of an "agreement" about Mt. Scopus there comes the intelligence that Jordan refuses to drop its claim against Israel afforestation before the Security Council. Thus, Hussein has not decided to let up on his provocation. Where, then is the agreement, and where the success? We are given a sop in the form of an accord to remove books, and instruments, and, like well-behaved boys, accept it with gratitude while allowing greater issues to pass by without comment.

Hatzofeh (General Zionist) sees the picture from the same point of view, writing that the cold war that the Arabs are waging on us employs the old tactics of converting trifles into essentials while concealing the greater issue — Middle East peace — under a heap of nonsensical argumentation. The Mt. Scopus "agreement" is one of these non-essentials that are meant to cover up the general menace to peace.

On the final Kastner judgment, **Al Hamishmar** (Mapam) writes that not every question has been fully answered and we shall have to await history's verdict. **Hatzofe** (World Mizrahi) also stresses that charges and counter-charges do no one any good and that we should leave the matter to historians and thinkers once they are armed with documentary facts and evidence that will enable them to see matters as they were.

Kol Ha'am (Communist) concluding that Kastner has not been cleared of the charges preferred against him adds that it was not only he who was in the dock but the Rescue Committee who collaborated with the Nazis. The paper holds that that particular aspect of recent history is already repeating itself because Israel leaders are bent on serving Bonn, which is directly descended from the Nazi regime.

Ma'ariv calls on Mr. Haim Cohn, the Attorney-General, to resign. After listing what the paper calls a series of defeats, it states that the recent Supreme Court ruling in the Greenwald-Kastner libel case was a "victory." But another "victory" like this and "we are ruined," Ma'ariv says.

ON THE AIR

FIRST PROGRAMME

322, 249, 33.3 & 41.7 M.

News: Hebrew: 6.35, 7.00 & 7.55 a.m. 1.30, 5.00, 7.00, 9.00, 11.00 p.m.
English: 1.45 p.m. French: 2.00 p.m.
6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 8.00 Close Down.
12.00 Lunchtime Music — Soloist: G. Morgan (Vocalist). 12.30 Woman's Corner. 12.45 "From the Concert Hall": Overture "Russian Easter" (Rimsky-Korsakov); Concerto for Quartet & Orchestra, op. 131 (Spohr); Ballet Music from "The Slippers" (Tchaikowsky). 2.15 Close Down.
4.30 News Summaries in English, Swedish and Spanish. 5.05 Musical Miniatures. 5.10 Tora Lesson, by Dr. N. Leibowitz. 5.30 Youth Corner. 6.00 "We Present Tonight." 6.05 Popular Songs & Tunes. 6.40 Jennie Tourel (Mezzo-Soprano). 7.15 Light Music. 7.55 The Week at the U.N. — ed. by Arie Avner. 8.10 Noah's Ark. 8.55 Bible Reading; Psalms, Chap. 35. 9.15 Concert by the Kol Yisrael Orchestra — Conductor: Michael Taube. Soloist: Hanoch Tel-Oren (Flute) — Symphony No. 29 in A, K. 201; Flute Concerto in G, K. 313 (Mozart). 10.00 Poetry Reading. 10.10 Concert (Contd.): Symphony No. 41 in C "Jupiter," K. 55 (Mozart). 11.10 Close Down.

SECOND PROGRAMME

422, 460, 292.7, 41.7 & 33.3 M.

IMMIGRANTS' HOUR. 6.00 "We Present Tonight." 6.05 "First Broadcast" — Pamela Wood (Soprano). 6.25 Contemporary Music — Four Symphonic Movements (Kazuko Osawa). 7.00 French. 7.30 Yiddish. 8.00 Rumanian. 8.15 Hungarian. 8.30 Ladino. 9.00 Interval. 9.15 Hebrew Lesson. 9.30 News in Easy Hebrew. 9.45 Polish. 10.00 News in English. 10.15 Close Down.

ARABIC PROGRAMME

467 & 41.97 M.

Arabic Programme (including News): 7.00—7.45 a.m. 2.15—3.15 and 5.30—9.45 p.m.

KOL ZION LAGOLA (33.3 M.): Programme to South Africa: 6.30 News. 6.45 Topical Talk by Harry Levin. 6.50 "Our Job." 7.05 Musical Interlude. 7.10 Stamp Corner. 7.15 Yiddish.
Programme for the U.K.: 11.30 News. 11.45 Topical Talk by Harry Levin. 11.50 "The Man in the Street." 12.05 Songs by David Zahavi. 12.15 Talk by Arie Newman.
ARMY PROGRAMME: (48.4, 216, 225 & 235 M.): 6.30 Opening. 6.35 Songs. 7.00 News. 7.10 "The Voice & the Instrument." 7.30 "Bow and Arrow." 8.00 "Invitation to Dance." 8.10 "Noah's Ark" (Kol Yisrael). 8.55 Interlude. 9.00 News. 9.15 "The Walls Listen." 10.00 Dance Music. 10.30 Close Down.
B.B.C. HEBREW BROADCASTS (13.90, 16.84 & 24.60): 7.15-7.45 p.m. News, News Talk, "Mid-week Magazine."

ORCHESTRA
HAIFA
Special Concert
with
Charles Munch
Tomorrow—January 22
"Armon" at 9 p.m.
Tickets at Ginsburg-Yuval's Office, 25 Rehov Herzl.
Usual reduction to subscribers.

Z.O.A. HOUSE
Thursday, January 23, 1958 at 8.30 p.m.
Vocal Recital
GERALD CASSEN
South Africa
Bass-Baritone
At the Piano:
MICHAEL TAUBE
Tickets, Z.O.A. House; Schlesinger & Springer; Rocco.

THE ISRAEL PHILHARMONIC ORCHESTRA
FOURTH POPULAR CONCERT
TEL AVIV — SUNDAY, January 26
Mann Auditorium at 8.30 p.m.
Conductor and Solo-Pianist
Jose Iturbi
MOZART: D minor Piano Concerto; GERSHWIN: Rhapsody in Blue; RAVEL: "Bolero"; works by SCHUBERT, GRANADOS and ALBENIZ
SALE OF TICKETS starts TOMORROW, WEDNESDAY, at Mann Auditorium Box Office (Rehov Huberman) Daily 11—2, 4—6. Friday, 11—1.
POPULAR PRICES IL.1 to IL.4.

Where to go

• **Meet the Israelis:—**
Tourists invited to meet Israelis at home. Information at Government Tourist Office, Jerusalem, Tel Aviv, Haifa.

JERUSALEM

• **Exhibitions:—**
Permanent Exhibition of Antiquities. Recent finds: marble Statue of Nemesis. Department of Antiquities, 25 Rehov Shlomo Hamelech. 9-1, 3-5.
Exhibition of recent paintings by Galya Pillin-Tarmu. Artists' House, 10-1; 4-6.
Oil paintings, gouaches by Efraim Modaelevich. Also sculptures, mosaics, Nora Art Gallery, 9 Maimon Ave., 10-1, 3-6.

• **Lectures:—**
Dr. Zeev Vilnai, "The True Story of Petra — Red Rock" (with lantern slides). Beit Hillel, 8.45.
"Atoms and Molecules." Prof. S. Patai, Beit Ha'am, 7.15 p.m., auspices Municipal Education Dept.
Legalistic Philosophy in Ancient China, Mr. Daniel Leslie, Ratisbonne, 5.30 p.m.
• **Film Shows:—**
Israel films daily 11.30, Keren Hayesod Hall.
• **Tours:—**
Hebrew University Conducted Tour (in English), daily 10 a.m. Administration Bldg., New University Campus. Every Tuesday leaving Administration Bldg. 11 a.m. a visit to Hebrew University Hadassah Medical School in New Medical Centre, Ein Karem. Phone (until Monday) 62950 for bookings.
Spend a morning with Hadassah on a conducted tour starting at 9 a.m. Book for this free tour by phoning 4061, Hadassah Club, Straus Health Centre.
• **Libraries:—**
Bezalel Museum, Sunday and Monday, 9-1; Tuesday and Thursday, 3-5.
• **Concert:—**
Kol Yisrael Orchestra. Conductor, Michael Taube; soloist, Hanoch Tel-Oren; all Mozart programme, Y.M.C.A. Hall, 9 p.m.

TEL AVIV

Italian specialities. Lunch, Dinner. Luky's Bar-Restaurant, 3 Allenby Rd. First class Italian menu at ILA.
• **Tourist Services:—**
Visit Hadassah Club, 80 Rehov Hayarkon, Tel. 33229.
Z.O.A. House, 9-9.
• **Exhibitions:—**
New Immigrant Artists, Art Pelion, 9 Alharizi, 10-1, 4-7.
Classical paintings from the Sonnenfeld Collection, Z.O.A. 10-1, 4-9.
Painting by Yehoshua Kovarsky, Rembrandt documentary exhibition, 9 Alharizi, 10-4, 4-7.
• **Musical Film Club:—**
"Barber of Seville," Z.O.A. House, 7 and 9.15 p.m.
• **Lecture:—**
Habimah, "The Ezr," 8.
Cameri, "Dream Girl," Mograbi, (popular prices), 8.
Ohel, "The Wooden Bowl," (Popular Prices), 8.

HAIFA

Visit Hadassah Club, 27 Jerusalem Street. Tel. 4876.
• **Exhibitions:—**
Opening of exhibition of water colours by Shimshon Holzman and woodcuts by Yaacov Pina. Fortnightly exhibit: Drawing by Josef Hirsch. Municipal Museum, Town Hall, 10-1, 4-7.

AFULA

• **Theatre:—**
Habimah, "Mirele Efros."

BEERSHEBA

• **Theatre:—**
Cameri, "Romeo and Juliet," Keren Hall, 8.

Notices to the Public
Haifa Port Management
Tender No. 33/57

Tenders for the purchase of Waste Wood, Scrap Metal and Various Pieces of Old Equipment.

1. Tenders are hereby invited for the purchase of waste wood, scrap metal and various pieces of old equipment now in the scrap yard of Haifa Port.
2. Further details can be obtained from the Property Department, Room No. 8, in the Haifa Port Management's new building, during regular work hours.
3. All bids must be marked with the price of the wood or metal waste (in tons) or of each piece of equipment for which a tender is submitted.
4. Successful bidders will be required to affix customs stamps on their purchases and to pay Port Service and also all packing and dispatching charges.
5. Bids for the purchase of the goods should be submitted on the official forms which can be obtained from the Property Department of the Port Management and must include a bank draft or guarantee at the rate of 10 per cent of the value of the bid. Bidders may also place a similar guarantee in the Management's Finance Department and attach the receipt to their bid.
6. Bids which are submitted without a bank draft or guarantee, as above, will not be considered.
7. Signed bids which have been placed in sealed envelopes, marked "Bids for Waste Material", should be placed in the Tender Box, in the Port Management Secretariat, not later than February 27, 1958.
8. All guarantees will be returned to unsuccessful bidders after the final selection of bids.
9. Successful bidders must remove all goods from the Port Area within one month from the date of acceptance of the bid.
10. The Haifa Port Management reserves the right to sell the various pieces of equipments wholly or as separate units.
11. The Port Management is not bound to accept the highest or any bid offered.

A. LANDMAN,
Haifa Port Manager.

MACCABIAH STAMP

Further to the notice in the press on January 10, the Post Office announces that the sale of the 500 pruta Maccabiah stamp including tabs, tables and sheets, will continue until further notice at the Philatelic Services, 122 Allenby Road.

Residents!
The validity of your radio licence expired at the end of December. Renew your licence immediately.

Required
Store
(Warehouse)
of approximately 500 sq.m.
in the vicinity of Ramat Gan, for the storage of chemicals. The Store will be needed for a period of six months to one year.

English Lessons
in Language and Literature, on all school and college levels, given by Cambridge Graduate (in English).
Please phone 4233, Jerusalem — (Advertising Department), between 11-1.30 or 5-6 p.m.

ISRAEL INSTITUTE OF INDUSTRIAL DESIGN
announces immediate openings for QUALIFIED DESIGNERS in Industrial and Design Offices, on full- or part-time basis.
Persons interested should apply by mail, giving some brief remarks on their experience, to: ISRAEL INSTITUTE OF INDUSTRIAL DESIGN
Job Placement Dept., P.O.B. 4910, Haifa.

Required in Haifa
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Today's Postbag

The Weather

FORECAST: Scattered showers, bright intervals in the afternoon.

	*A	B	C	D
Mt. Cana'an	66	7	11	9
Tiberias	60	14	20	13
Haifa Port	45	14	18	16
Natanya	50	13	20	17
Tel Aviv Kirya	46	12	17	16
Tel Aviv Port	57	16	17	16
Lydda Airport	49	11	17	16
Jerusalem	37	8	12	10
Beersheba	34	10	17	16
Sdom	34	15	24	19
Eilat	38	13	22	20

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

Mr. William Connor, "Cassandra" of the London "Daily Mirror," and Mr. Sidney Jacobson, the newspaper's political editor, for a week's visit (by Cyprus Airways).

Mr. Michael Kane, of California, to spend a year advising the American-Israel Paper Mills on the establishment of a trade school.

Mr. A. Zabarsky, Chairman of the Board of the Workers' Bank, from the U.S.

Mr. J. Tchornicki, Head of the Latin American Division of the Keren Hayesod—United Jewish Appeal, from South America. (by El Al).

THE TEL AVIV Municipal Council has passed a by-law prohibiting smoking during performances in cinemas and theatres. The prohibition does not apply during intervals.

• • •

FOR FALSELY reporting to the Police and an insurance company the theft of five cows which they had actually sold, Moshe Reichman, 50, of Moshav Adanim, in the Sharon, yesterday was sentenced to three months imprisonment and fined IL2,300, and his wife, Leah, was fined IL1,000, by Petah Tikva Magistrate H. S. Nahmani.

• • •

120 SHOPS have been charged in the Jerusalem Municipal Court for opening their shops on the Sabbath or after legal hours on weekdays; 30 hawkers have been charged with peddling without licences; and 20 shopkeepers have been charged with blocking the sidewalks with boxes and other articles.

• • •

THE NATIONAL council for the Prevention of Accidents announces the opening of registration for "the most careful driver of 1958" competition. A contest for careful scooter drivers and motorcyclists has also been opened.

• • •

AN EXHIBITION of 200 works by nearly 60 young immigrant artists has been opened in the Tel Aviv Artists House under the auspices of the Histadrut Centre for Culture and Education.

• • •

THE ASSOCIATION of Americans and Canadians has opened a branch in Rehovot at a meeting held at the Weizmann Institute. Mr. David Wahl, Chief Librarian of the Institute, was elected Chairman.

TEN YEARS AGO TODAY

The Struggle for Independence

Jerusalem 21, 1948

Five British Army camps on the seashore to the north and south of Natanya were handed over to the township this afternoon.

Two houses in the Katamon Quarter in Jerusalem were damaged by explosions early this morning. The blasting was carried out by the Stern Group against Arab snipers' nests.

Glider Pilot's Widow Paid IL10,700

TEL AVIV, Monday. — The Israel Aero Club is to pay damages of IL10,700 to the widow and daughter of a glider pilot killed in a collision with a Piper Cub over Dov Airfield. The sum was a compromise settlement approved today by District Court Judge M. Harpazi.

Mrs. Miriam Zoler, widow of the glider pilot Ze'ev Zoler, originally claimed IL 25,000.

Vienna Waltzes Round Tel Aviv

By PAUL KOHN, Jerusalem Post Reporter

TEL AVIV, Monday. — The Viennese football team, Wacker, this afternoon waltzed to an easy 3:0 win over Tel Aviv Hapoel in Jaffa in the first of its three games in Israel.

Although the Austrians were by far the superior team, often making rings around the Hapoel rearguard, the local team's chief failing was not possessing a forward capable of scoring goals when given the opportunity, while its defenders failed to mark their men closely.

Wacker's game today indicated that it would be a strong and useful opposition to the Israel Selected which it meets on January 28.

In the 44th minute of the game Gideon Tisch, one of the heroes of last Wednesday's match against Wales, was injured and forced to leave the field.

Tel Aviv Hapoel played confidently until the first goal in the 14th minute, after which the Austrians were on top and with more luck might have doubled their score. In the first minute Blut saw his 25 metre lob saved by goalkeeper Peilikan, who shortly after was called to the unusual task of pushing a Chodorov goalkick for a corner. Some fine saves were made by Chodorov until outside-left Haumer netted a splendid goal after dribbling past two defenders. Two minutes before the interval centre-forward Brusseck raised the score to 2:0 with a well-placed header. Immediately after the interval, the Austrians scored again when Brusseck, unmarked, sent the ball into an unguarded goal.

Wacker plays its next game against Petah Tikva Hapoel in Haifa on Wednesday night.

Mr. and Mrs. IZHAK BERMAN Ramle

Mr. and Mrs. ELAZAR STERN Jerusalem

take pleasure in requesting your presence at the wedding of their children

Moshe and *Malca*

which will take place on Sunday, January 26, 1958 at Café Lorenz (Havs'ad Lema'an Hahayal), Rehov Eilat, cor. Chelouche, Tel Aviv.

Ceremony at 7 p.m. Reception until 9.30 p.m.

3 Port Policemen Jailed, Sacked, for Helping Smugglers

Jerusalem Post Reporter

HAIFA, Monday. — Three constables of the port police were today each sentenced by a disciplinary court to one year's imprisonment for transporting contraband goods from ship to shore in a police launch last month and hiding them in their lockers in the port.

The three men, Joseph Merimowitz, Gilbert Abuharoun and Moshe Darwish, will be dismissed from the force without compensation.

The sentence cannot be appealed but is subject to confirmation by the Minister of Police.

A fourth constable, Edouard Moustaki, who was arrested together with the three prisoners, turned State's witness and was not brought to trial. He is also to be dismissed from the force without compensation, a senior officer said after the trial.

The president of the court, D.S.P. Yosef Pelleg, dwelt in his judgment on the gravity of the offence. "Appointed to guard the law, the accused took to violating it by conspiring with smugglers. They failed to cooperate with the investigators, tarnished the honour of the police, harmed its discipline, without which such a force cannot exist, and betrayed the public trust," he said.

On the other hand, the court took into consideration the family circumstances of the three accused and the personal hardships from which they had suffered as a result of serious sickness — in one case of a wife, in another of a child — and the fact that their records had previously been satisfactory.

The contraband goods found in their possession were declared confiscated.

A-G Appeals Acquittal Of 3 for Terrorism

An appeal against the acquittal of Yosef Menkes, Ze'ev Eckstein and Dan Shemer on the charge of membership in a terrorist organization, was lodged in the Supreme Court yesterday by the Attorney-General, Mr. Haim Cohn.

The three men were last week found guilty of the murder of Israel Kastner on March 3, 1957. But the District Court had ruled that it had not been proved that they were members of an underground organization.

In his appeal, the Attorney-General claimed that the District Court had "erred in its interpretation of the law and did not base its decision on factual findings." That same organization to which the three men belonged had carried out activities which led to the murder of Kastner, he said.

Meanwhile the three prisoners have lodged appeals against the murder verdict. *(Itim)*

16 Held After Village Brawl

NAZARETH, Monday. — Police today quelled a brawl between the Hassan and Suleiman families in the Mash'had village near here and detained 16 persons. The vendetta, said to be due to an affair between a member of the Suleiman family who is a teacher in the village, and a young married girl of the Hassan family, has created strong feelings locally and the police have placed a guard there until a *sulha* is arranged. A similar brawl took place in the village on Saturday.

Both sides, armed with sticks and stones, sustained injuries today and several persons, including children, were sent to the Edinburg Mission Hospital here.

Sheikh Saleh Salim Suleiman M.K., renowned as a *sulha* arranger, today called at the Nazareth Police station and offered his services to mediate in the dispute. *(Itim)*

Baha'is to Confer In Uganda

HAIFA, Monday. — Madame Ruhiyyih Rabbani, widow of Shoghi Effendi Rabbani, world head of the Baha'i faith, left yesterday by El Al for Kampala, Uganda, accompanied by Dr. Lotfullah Hakim, to inaugurate the first of a series of five intra-continental conferences. Both are members of the International Baha'i Council which has its seat here.

The other conferences are to convene in Sydney, Chicago, Frankfurt and Jakarta.

The deliberations, open to Baha'is only, will be attended by thousands of the followers of the faith of Baha'ullah and will be held as a tribute to the outstanding leadership of Shoghi Effendi who directed the affairs of the faith for 36 years.

Burned Papers Said Storm in a Teacup

Jerusalem Post Reporter

The controversy aroused by the burning of some 2,000 copies of a draft curriculum by the Ministry of Education several months ago was yesterday termed "a storm in a teacup" by Dr. M. Avidor, Director-General of the Ministry.

Replying to a barrage of questions at a press conference, Dr. Avidor said the material involved was a proposed curriculum for teachers' seminars. Before the curriculum had been distributed, it was decided to make revisions in three of the subjects. Instead of sending corrections out at a later date, it had been decided simply to destroy the copies and print a revised edition.

The curriculum did not deal with the Jewish Consciousness programme, Dr. Avidor declared. (It had been alleged in some sections of the press that the burning was the result of pressure from left-wing coalition parties, who allegedly felt there was too much of a religious stress in the Jewish Consciousness section). He said the three subjects were History, Knowledge of the Jewish People and Jewish Thought.

Dr. Avidor declined to give further details

The Director-General said that the Jewish Consciousness programme had thus far met with a "very positive" attitude on the part of schools and parents. He added that the programme was progressing well in all elementary schools.

Book in Memory Of Etzion Victims

Jerusalem Post Reporter

TEL AVIV, Monday. — A memorial volume, "In The Path of The Palmach" (Ben'tiv Hapalmach) has been published in Jerusalem by Rubin Mass in tribute to Dani Mass, the publisher's late son, who commanded the unit of thirty-five who fell on their way to relieve the Etzion bloc in the War of Liberation. Aluf Yigal Alon today introduced the book to the press.

Mati Meged, who wrote the first part, said that he had attempted to convey the tragic impact of the annihilation of an entire unit. The rest of the book consists of Dani's own writings, letters and caricatures.

Edison, Cahana Charged For Closed Doors

Jerusalem Post Reporter

For violating the terms of their licence by not admitting the public properly into the cinema hall, the Municipality has filed charges in the Municipal Court against the Management of the Edison cinema and the (Shmuel) Cahana Theatrical Agency.

The charge sheet states that on December 12, when the play, "All's for the Best," was to be presented, an insufficient number of doors were opened to admit the public, thereby causing disorders. Moreover, the door (or doors) should have been opened by 8.45 p.m. — 15 minutes before the curtain rose — and this was not done.

The two firms are also charged with committing a similar offence on November 19.

Mr. Arye Chachik, manager of the Semadar cinema in the German Colony, has been charged with letting persons stand in the aisles and allowing them to sit on chairs which had not been fastened to the floor.

Paulette Goddard To Wed Remarque

DETROIT, Monday (Reuter) — Paulette Goddard leaves here today, after abandoning her current stage role, to marry author Erich Maria Remarque. She is 43 and he 60.

The marriage date has not yet been set, but Miss Goddard said, "It will be in the near future."

This will be Miss Goddard's fourth marriage. Her former husbands were Charles Chaplin, Burgess Meredith and Edgar James.

RATION NEWS

Fish fillet will be distributed throughout the country, 200 gr. against coupon Mem 48, 110 pruta.

Trees of Life

Jerusalem Post Reporter

The City of Jerusalem is to plant a sapling for every child born within the city limits—an estimated 5,000 saplings a year.

The Municipality has allocated IL3,000 for this purpose. Parents who specifically object to having the sapling planted, or the J.N.F. Tree Certificate delivered to them, should notify the city.

Belgian Credits For Capital

Jerusalem Post Reporter

A Belgian firm has offered to advance $2m. in credits to the Jerusalem Municipality for development projects, it is learned. Another Belgian firm has offered $200,000 in credits to the City.

The Municipal Administration is now studying the terms of the credit arrangements.

Mr Mordecai Ish-Shalom, Vice-Mayor, who recently visited Europe on behalf of the Municipality, was largely instrumental in interesting the firms in the city.

If the terms of the loans are acceptable, they are to be used mainly for road-building and improving the water and sewerage systems.

Mr. Ish-Shalom has arranged for a loan of IL1,50,000 from Shilumim funds through the Workers Bank. It has been announced. The funds are to be used to lay a water pipeline from Bayit Vegan to Rehov Gaza.

The loan, which bears 9.5 per cent interest (including a two per cent handling charge by the bank) was to be repaid in two years. But Mayor Gershon Agron persuaded the Minister of Commerce and Industry, Mr. Pinhas Sapir, to extend the day of repayment until four years.

Agron Declines Mission

Mayor Gershon Agron has declined an invitation to open the Histadrut's fund-raising drive in the U.S. in February.

Mr. Agron wrote that the pressure of work, especially the city's preparations for the Tenth Anniversary celebrations, does not allow him to leave the country at present.

MA'BARA SHOPS GUTTED BY FIRE

Jerusalem Post Reporter

HAIFA, Monday. — A small shopping centre in Tirat Hacarmel South *ma'bara*, went up in flames last night, ruining all but one of a group of shopkeepers, among them a fancy goods store, greengrocer, cobbler and tailor.

When David Rahamim, a resident of the ma'bara, was walking home at 9 o'clock last night, he saw smoke billowing from the fancy goods shop owned by Lazar Poznansky. He alarmed the neighbours, but by that time, the flames had engulfed the adjoining shops and stalls, feeding on the woodwork and the goods on the shelves.

Three fire engines fought the blaze for three hours. They were hampered by the shortage of water which had to be brought from the nearest hydrant by tanker.

Poznansky's shop was insured. He valued its contents at IL9,000.

Police are investigating.

Future Deposits May Not Be Frozen

The courts may not issue an order to freeze a person's future deposits in a bank: it can do so only in the case of monies already in the account on the day the order is issued, the Jerusalem District Court has ruled.

The Court allowed a claim by Bank Leumi that an order issued by the District Court Registrar requiring the Bank's branches to freeze IL40,000 of the accounts of three Tel Aviv provisions merchants could not apply to their future deposits.

The order was issued at the request of the Attorney-General who claimed that Messrs. R. Lechovitz, D. Fishman and S. Hinkes, the three merchants, owed IL40,000 to the Food Division of the Ministry of Commerce and Industry.

Charges against them are pending in the Jerusalem District Court.

Costs were awarded against the Attorney-General. *(Itim)*

A LIBRARY dealing with life in India has been donated to the India-Israel Friendship League and will be transferred to Israel shortly.

Rabbinate Warns El Al on Kashrut

Jerusalem Post Staff

The Chief Rabbinate has warned El Al that it will cancel its *Kasheher* for the food served by the airline unless three demands are met.

These demands are:

- no plane is to take off from Lydda on the Sabbath,
- the appointment of a "Kashrut Officer" who will supervise food supplies taken aboard at foreign airfields,
- establishment of a *kosher* kitchen for El Al workers at Lydda.

These demands were put by Rabbi S. Efrati, Director of the Kashrut Department of the Chief Rabbinate, at a meeting in Tel Aviv last week with Aluf Ephraim Ben-Arzi, Managing Director of El Al.

Rabbi Efrati told *The Jerusalem Post* last night that Aluf Ben-Arzi had agreed to investigate the possibility of a *kosher* staff kitchen at Lydda airport but had rejected the first two demands. Rabbi Efrati said many complaints had been received concerning El Al flights on *Sabbath* and the taking on of *non-kosher* food at transit points.

He said the Chief Rabbinate Council would meet to take up the question of withdrawing the *kasheher*.

A spokesman for Chief Rabbi Nissim's Office told *The Jerusalem Post*, last night that the question had still not reached "high-level discussions."

El Al Denies Charges

In Tel Aviv, last night, El Al denied charges that food aboard its aircraft was not *kosher*.

It declared that all food taken on board comes from kitchens under Rabbinical supervision.

El Al could not accept the Rabbinate's demand that a supervisor be allowed to fly with the plane, because there was no place in the crew and such a position did not accord with IATA rules.

The airline also denied flying on the Sabbath except in cases of emergency.

AIRLINE LEADERS CONVENE TODAY

HERZLIYA, Monday. — A convention of vice-presidents of international airlines opens here tomorrow at the Sharon Hotel.

The gathering is to discuss common problems concerning air traffic to and from Israel.

HAIFA WOMAN FOUND STABBED

HAIFA, Monday. — The body of a young woman was found stabbed to death near the Quarantine station at the Shemen Beach early this morning. A worker who found the body lying in the bushes by the wayside, called the police.

The woman was identified as Tehiya Rubinstein, 26, known as a prostitute. She had died from stabs in the back and neck.

Her husband and another man, whose name the police would not reveal, have been held for questioning.

CANADA. — Unemployment in Canada rose to 388,000 or 6.5 per cent of the total labour force, in mid-December, topping last year's figures by 200,000, it was reported by the Canadian Bureaux of Labour and Statistics.

No-Man's-Land Plot Exempt from Tax

A request by the Treasurer of the Jewish Agency, Dr. Dov Joseph, to be exempted from paying taxes on a plot he owns, caused considerable surprise this week during a meeting of the Municipal Council.

It was pointed out that the plot today is in no-man's land. The Council agreed to the exemption.

$50m. Bond Sales In America in 1957

Jerusalem Post Reporter

Israel Development Bond sales in the U.S. totalled $50m. during 1957—the third best year since the campaign was launched in 1951—but the current American economic recession had its effect towards the end of last year and may adversely affect the 1958 campaign. This was stated yesterday by Dr Joseph J. Schwartz, Vice-President and Chief Executive Officer of the Israel Bond Organization in the U.S. at a press conference in Jerusalem.

Dr. Schwartz said that $320m. worth of Bonds had been sold to about 700,000 individuals since the start of the campaign nearly seven years ago. The best year was 1956 when $54m. worth of Bonds were sold, with the Sinai campaign providing a boost. Israel sells more bonds in the U.S. than in any other country except for Canada, Dr. Schwartz added.

This year's drive will open on February 6 with a conference in Miami, to be attended by Deputy Chief of Staff, Aluf Meir Amit, who is leaving for the U.S. in a few days. The Tenth Anniversary, together with the State's past achievements and future problems, will provide the central theme for this year's efforts.

Between August 24 and September 26, an International Bonds Conference will be held in Jerusalem with the participation of Bond workers and subscribers from all over the world.

Mapam 'Contacts Syrian Socialists'

Leaders of the Socialist el Ba'ath (Resurgence) Party in Syria have made contact with leaders of Mapam to prepare the ground for the establishment of relations between Syria and Israel, "Ma'ariv" wrote yesterday, quoting French sources claiming "extremely reliable information" from Damascus.

The sources did not state where the talks were being held nor give the identity of the Syrian representatives.

A few weeks ago, the Syrian Socialist leader, Michel Aflek, made a statement in which he voiced his willingness to meet Israel socialists, the paper said. Following the storm of protest which greeted this statement, Aflek was forced to deny having made it. Meanwhile, there has apparently been contact between representatives of el Ba'ath and Mapam, "Ma'ariv" wrote.

Mapam headquarters yesterday morning stated that it has not yet received a reply to the feelers put out by Mr. Fenner Brockway, prominent British left-wing Socialist leader, for a meeting between representatives of Mapam and the Syrian Socialist party.

France Borrowing Israel's Best Drill

Jerusalem Post Reporter

The "Super 771" oil drill, the biggest in the country, has been leased to a French company for one year and will be sent to France in a few days, it was reliably learned in Jerusalem yesterday.

The French company is to pay $1,800 per day.

The drill, the property of "Mifulei Mayim," is the only one in the country that can reach a depth of 15,000 feet and it is feared that a number of oil prospecting attempts, both actual and planned, will be hampered by its absence.

Free Contacts for Diplomats In Israel, Meir Tells Knesset

Jerusalem Post Knesset Reporter

The Government relies on representatives of foreign states serving in Israel to refrain from interfering in Israel's internal affairs, the Foreign Minister said in the Knesset yesterday.

Mrs. Meir was replying to a question by Mr. Eliezer Shostak (Herut) who referred to newspaper reports that Israel citizens had been invited to the Soviet Embassy, which wished to question them in connection with the Pardess Hanna burial incident. (Last November, the Pardess Hanna burial society refused to bury Aharon Steinberg, 5, because his mother is a Christian.)

Mrs. Meir said that in Israel, as in other democratic states, there is no restriction on the contacts between foreign representatives and Israelis.

However, she said, if a conversation between a foreign representative and Israel citizens went beyond the accepted bounds, the persons invited could also not be freed from responsibility.

The Foreign Ministry had no details about the matter aside from what had appeared in the press, Mrs. Meir said. She noted, however, that "Ma'ariv" yesterday printed a denial by the mother of the dead boy that she had been invited by the Soviet Embassy.

Answering another question, Mrs. Meir told the Knesset she did not believe that any damage at all had been caused by the remarks of two Knesset Members, Mr. Meir Argov and Mr. David Hacohen, when they were abroad some months ago.

"Over three months have passed since the remarks were made and this can now be asserted definitely. It follows that there is nothing for the Government to correct."

Mrs. Meir was replying to a question by Mr. Peretz Bernstein (General Zionist), submitted last October 21, asking among other things, whether the statements had been made in accordance with instructions from her Ministry.

The Foreign Minister said that every Knesset delegation consults with the Ministry before it leaves on the lines of public relations to be followed.

Knesset Debates Development Funds

The Knesset last night began its debate on the IL80.2m. supplementary development budget for the 1957/58 fiscal year which was presented for its first reading last week by Finance Minister Levi Eshkol.

Mr. Nahum Levine (Herut) charged that the Government was encouraging the monopolistic tendencies of Histadrut industry. Almost half of the sums in the Development Budget allocated for industry went to Histadrut enterprises, although these comprise less than one-quarter of the total, he said.

Mr. Joseph Saphir (General Zionist) argued that, instead of investing huge sums in gigantic industrial enterprises such as the Steel City, which were not suited for this country, the Government would do better to invest in industries better adapted to absorb immigrants more quickly and directly.

Mr. Michael Chazani (National Religious) urged that the development budget should be based more on internal savings, since foreign sources would dwindle. He urged more attractive terms for private capital and encouragement of the stock market.

Mr. Ze'ev Zur (Ahdut Ha'avoda) complained that the funds needed for the development of plantations and citrus groves were not being supplied. He hoped that this would be rectified in the next budget.

The debate continues.

Pupils Go Out On Rat Chase

One-hundred-and-eighty high school students are today going out to four immigrant and border settlements for a two-week work period organized under the auspices of Gadna.

This is the second group of secondary school students to go out to settlements under this scheme.

A particularly large party has been sent to Patish and Ranan to assist in overcoming the plague of rats which are destroying the settlements' crops.

TRADE. — The first trade agreement in 20 years between Czechoslovakia and Spain was signed recently, calling for the exchange of $5m. worth of goods during 1958.

Agency Advised That Mekorot Should Quit Oil

The Jewish Agency Executive is to decide in two weeks time on whether to vote in favour of selling Mekorot's oil stock to the Government, it was announced yesterday.

Shares in Mekorot are held by the Government, the Agency and the Histadrut. In a report to the Executive yesterday, the Agency's Companies Bureau recommended the sale, saying that Mekorot should deal only with water.

No Opposition To Water Bill

The Water Bill passed its first reading in the Knesset yesterday after the Minister of Agriculture, Mr. Kadish Luz, replied to the debate. There were no votes against the bill, but the General Zionists and one Herut member, Mr. M. Olmert, abstained.

Mr. Luz defended the wording in the preamble which declares that the country's water sources are meant to serve the general good. However, he had no objection if the committee wished to go further, as some of the Members had proposed, and change this to read that water sources are the property of the State.

As to Mekorot, Mr. Luz said that there was no other body in the country more qualified to execute the diversion of the waters of the Yarkon to the Negev. The only function of the National Water Authority set up by the bill was managing this national water project.

Mekorot is subject to the control of the State Controller, Mr. Luz said. Although the Government has only a one-third interest in the company, with the other two-thirds held by the Jewish Agency and the Histadrut, this partnership was tantamount to nationalization of the company, Mr. Luz said. The proposed bill would give the Government additional powers which in effect put Mekorot under its control and to a great extent under its management.

Mr. Luz said that when the law is executed most of the fish ponds in the country would be done away with. But this could be put off as long as the Jordan flows to the Dead Sea and not to the Negev.

Mr. Ezra Ichilov (General Zionist), explaining his party's abstention, said they supported the bill insofar as it aimed to fight waste, drying up and salination of reserves. But a large part of the bill created conditions of pressure and unjust restrictions. Mekorot in its present form could not serve as the national water authority, he said.

The Knesset yesterday passed the second reading of an Amendment to the Criminal Procedures Law, which limits the resort to the preliminary investigation.

Minority amendments by Dr. Z. Warhaftig and Dr. I. S. Rosenberg (both National Religious), which would have restricted coroner's inquests and post-mortem examinations to cases where there was suspicion that the death had been the result of a crime, were defeated.

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Economic News from Abroad

N.Z. Labour Against Immigration

● The New Zealand Federation of Labour is putting pressure on the Government to discontinue its policy of assisting immigration, in view of the country's present economic difficulties. The cost of bringing an immigrant to New Zealand is now £2,500, and the total annual outlay for this purpose is £45m.; but it has proved to be difficult to provide the newcomers with sufficient housing, hospitals and social facilities. Moreover, the immigrants have been found to be sending out more capital than they bring in, and anyway there is no foreseeable labour shortage.

Lena Coalfield

● The Russians claim to have discovered a vast coalfield on the upper reaches of the Lena River in east Siberia. Its seams are said to be 30 to 45 metres thick and to contain twice, or even two and half times, as much coal as all the world's known deposits together. The mining can, however, be economical only after adequate means of cheap transport have been provided. In fact, this is one of the reasons why the development of Arctic waterways is receiving much attention on the part of Soviet planners. It is there that the first atom-powered ship — the ice-breaker Lenin — is being used.

Export Drive Outdated?

● The latest report tabled by the Finance Committee of the French Council of the Republic has struck a new note, condemning the "export or die" formula that had been accepted as imperative in view of the country's precarious payments position and pointing out that it is preferable to replace imports by domestic products. Exports are bound to meet heavy competition, the report argues, also noting that many countries are developing their own industries and that trade with the East is hampered by all sorts of controls. Moreover, any increase in exports by one West European country is likely to be at the expense of the others.

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POULTRY FARMS RIDE INSECURE BOOM

By Our Economic Editor

AFTER six months of prosperity and rapid expansion favoured by the long-term agreement with the Ministry of Commerce and Industry, the poultry industry again appears to be approaching a critical turn.

Following the improved supply of fodder that had been guaranteed at a fixed price of IL180 per ton, considerable amounts of capital have been invested, by both veteran settlers and private investors, in increasing the country's hen and chicken population. An effort to prevent the rush from assuming excessive proportions was made by announcing that after June additional egg deliveries would no longer entitle poultrymen to greater fodder allocations, but it has not had the desired effect, for prices on the free fodder market have also declined. Moreover, the guaranteed egg prices were fixed at a level that leaves the poultry breeders fairly high profits, while demand for table fowl has been boosted by the discontinuation of frozen meat imports and by the influx of large numbers of European immigrants accustomed to this diet.

It has naturally taken several months for the farm expansion to bear fruit, but by now its effects are beginning to tell on the market. Deliveries of table fowl have already reached 2,200 tons a month, as compared with a maximum of 1,900 last year. On the basis of chicken sales in the last quarter of 1957, at least 3,600 tons should be expected in March. This would be 20 per cent more than the monthly average set as goal when the poultry agreement was negotiated.

For the time being all the deliveries have been absorbed without difficulties at prices quite satisfactory to breeders, but observers doubt whether this will continue when the market is glutted, for experience has shown that even a small excess of supply is likely to cause a sharp price drop.

Summer Competition

Also, fowl consumption usually declines in summertime when there are plenty of vegetables on the market, and the increased supply of sea fish is likely to compete with fowl as a protein food. At a later stage, imports of frozen meat are expected to be resumed, apart from the supply of domestic beef and mutton which is also expanding apace.

The situation could be eased, and at least violent price fluctuations avoided, were provision made for the cold storage of unmarketable surplus quantities in order to dispose of them in periods of particularly heavy demand, such as the High Festival season. Should heavy stocks accumulate, exports could even be contemplated, for producers would prefer a limited loss as a result of cut prices abroad to a general and prolonged decline of fowl prices on the home market.

However, the storage facilities, and in particular the fowl slaughter houses, are utterly inadequate for such a planned sales policy. For the time being only one such slaughter house is in operation in Tel Aviv, and another is to be opened shortly near Tiveri. More slaughter houses are recommended for rural areas (which make it possible to save some 15 per cent of total costs in reduced transport expenses) to push the home sales of dressed and pre-packed fowl, for which housewives are ready to pay higher prices. Incidentally, this would allow poultrymen to expand the use of the New Hampshire stock, which is the most suitable for breeding table fowl. At present this stock is spurned by consumers on account of its brown plumage which is assumed to indicate an inferior breed.

Deliveries Climb

Egg deliveries have climbed to some 50m. in December last, as compared with 43m. in December 1956, and are expected to increase to about 55m. monthly in the January-March 1958 period. From April onwards, however, the new hen population hatched last autumn will go into production. Though exact figures are not available, the increase must have been substantial, especially in young settlements (in the hill areas and in other regions) which have been allocated budgets to this end in order to provide them with a source of cash income that could be taken care of by women and children without tying up the main labour force.

As a result, experts consider it likely that egg deliveries may reach 700m. in the course of 1958, i.e. almost double what they were in 1953, while the total output — including rural consumption and hatching eggs — will certainly top 800m. (compared with 485m. in 1955). On the basis of an estimated per capita consumption of 300 eggs a year, a big surplus thus appears inevitable. It could be exported, but since egg prices have been guaranteed by the Government it is the Treasury that will have to cover the loss (perhaps 40 per cent.)

Hitherto exports have been rather limited, thanks to the booming home demand. A total of 10m. were shipped up to the end of December, and another 10m. may be sent up to the end of February, when the export season ends. However, for the next winter a figure of 100-200m. may be envisaged if the level of egg prices on the home market is to be maintained, though there is no question that this target could be reached only at a heavy cost, in view of the shrinking markets and very keen international competition. It has even been suggested that some of the eggs might more profitably be sold in liquid form for industrial use, in order to save storage and transport costs and get a foothold in another market. Moreover, export could not easily help to solve the problem of heavy deliveries in summer months, and the storage of surpluses for several months would add to expenses.

In spite of all these problems, the Government will presumably go to great lengths in order to maintain the present agreement with the poultry industry up to the end of the envisaged 18-month period (though it could abrogate it at three months' notice), in order to avoid a sudden slump. It is, however, scarcely to be assumed that the Government will be ready to prolong the agreement for another period. The very least that it is expected to do is to reduce the guaranteed egg prices in order to cut its losses and at the same time to squeeze out the marginal and speculative producers who rely exclusively upon imported fodder. Thus, the poultry industry will face another readjustment in the summer of 1959, and some preparatory steps to mitigate its eventual impact may be expected much earlier.

Tel Aviv Stock Market

JANUARY 20, 1958

Pop. Loan 1949/'59 (IL50)	100½
6% Comp. Loan 50/'67	77½
3½% Comp. Loan	94½
3½% War Loan 54/'70	95
Pal. Reserve Bds. (ser.)	96½
3½% Travel Dollar 2)	85½
4% Reg. Sterling "A"	90½
Def. Loan Bonds 62½ f)	98½
4½% Def. Bonds f)	98
4½% Def. Bonds g)	100
4½% Loc. C. Debs. f)	97½
4½% Loc. C. Debs. g)	96½
Pal. Elec. prf. sh. (IL5n.)	211
6½% Bonds 53/'63 f)	102½
ditto g)	106½
Koor Hayesod 6½% Deb. 53/'63 f)	97½
ditto g)	100½
Ugroth Ltd. 6½% Deb. 53/'63 f)	99½
Rassco 6½% Deb. 53/'67 Class "A" f)	98½
Class "B" g)	104½
Bk. Leumi ord. sh.	140½
Bearer Savings Cert. '50	91½
A.P.B. Investment 6½-6% Cns. Deb.	75
Ord. sh. "B" reg.	105½
Gazit ord. sh. "B" reg.	—
Ellern's Inv. ord.	153
6-6% con. debs.	—
Ata ord. "B" sh.	75½
"Kardan-eh" ord. "B"	80½
7% con. debs. 59/'68	75½
"Tuva" ord. sh.	82
Pal. Cold St. ord. sh. reg.	122
Pasa 6% debs. 60/'64 reg.	86
Binar 6% debs. 58/'65	86
Nir 5% pref. sh.	89
"Inva" 5% debs.	76
Gen. Mortg. Bk. ord. sh.	78½
Rassco 6% pref. ord. sh.	85½
I.L.D.C. ord. sh. reg.	73
5% debs.	79
Afr. Pal Inv. ord. sh.	62½
Moller ord. sh. reg.	113⅜
Pal. Brewery 5% con. debs.	80½
Assis Bejarano "B" sh.	75
Nesher 6% debs. "A" 52/64	112
Pal. Potash "A" ord. sh.	58
Delek ord. sh. "C"	85
Pal. Constr. 5% reg.	100
Mekorot pref. sh.	70½
Jordan Exploration Co. Ord. sh. reg.	73½

Notes: a) purchasing price; b) selling price; c) ex. coupon; d) ex-dividend; e) ex-right; f) linked with $; g) linked with £ Sterling; x) in % of IL1,000.

Stocks and Commodities

Easier Prices in Tel Aviv

ALMOST all sections of the market showed an easier trend during the past week. In the linked bonds section, Tavel Dollar and Registered Stock A were an exception. The drop in the cost-of-living index probably contributed to this mood of the market. Among the ordinary shares, Bank Leumi lost some nine points, with smaller losses incurred by I.L.D.C., Ata, Kurdaneh, Moller Textile, Teva, Palestine Cold Storage and others.

Margin Cut Disappointment in New York

THE January 15 margin cut, which means that a buyer of stocks has to put up only 50 per cent of the purchase price instead of 70 per cent as hitherto and can borrow the remainder, had little effect on the market. President Eisenhower's statement about an expected "upswing" in the economy also had only a temporary effect. The Wall Street market closed the week irregular after active dealings. Further reports of curtailment in industry depressed the investors' confidence. Rails finished firm on the freight rate advance.

The Dow Jones average for 30 Industrials was 444.12 after 445.43 as against 438.68 last week and for 20 Rails 107.10 as against 100.8.

Unofficial quotations (bid and asked prices) included State of Israel 3½ per cent bonds at 79-81 per cent, Palestine Economic Corporation common shares ($25 par) at $9.50 to $10.25 and Ampal four per cent preferred ($5 par) at $3.25 and $3.75.

London Subdued

LONDON stock markets closed the week on a subdued note. Incentive was lacking and sentiment was adversely affected by the disappointing performance of Wall Street on the margin cut. German municipal bonds were particularly firm among foreign securities, on account of the reduction in the German Bank Rate that had been announced earlier in the week. Oils were depressed, while Coppers were easier. Gilt-Edged provided the brightest spot.

Reuter's Daily Index for Gilt-Edged was 71.3 as against 71.1 and for Industrials 183.8 as against 183.3.

Paris Bourse Hesitant

THE market in Paris was hesitant reflecting the slim Government majority in the vote of confidence, and the Tunisian tension. The gold market was lifeless and business transactions limited. The market lacked a definite trend. The price of one kilobar of gold was F7rs542,000.- (Frs544,000.- last week).

Commodities Prices Continue Easy

TIN, copper, lead, zinc and rubber were again easier during the past week in London. Reuter's U.K. Commodity Index was 419 as against 423.9 a month ago and 506.8 a year ago; (September 18, 1931=100).

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Readers' Letters

DIAMOND INDUSTRY

Editor, The Jerusalem Post

Sir, — The information on which your economic correspondent bases his "Diamonds, Dollars and Development" in your issue of December 24 is very one-sided. "Some of the new polishing plants have had to shut down and the money lent by Government yields no return" is putting it mildly — the money has been lost.

It would be interesting to learn on whose expert advice the Government invested the taxpayers' money, and is still continuing to do so. The Diamond Control Board was certainly never consulted. Industrialists and their organization as well as responsible Histadrut circles have always warned the Government against expanding the industry in this manner without any economic foundation.

- So long as the quantity of rough diamonds available to Israel at official prices is severely limited, expanding the industry can only result in forcing free market prices higher and higher, and in so doing making polishing an uneconomic proposition.
- By paying lower wages than the established factories, the "development enterprises" are able to sell cheaper.
- Since the "development enterprises" have only Government monies to lose, they will continue to operate as long as possible, even at a loss, and in so doing they are not only wasting the taxpayers' money, but at the same time ruining the formerly well-established factories in non-development areas.

Yours etc.
NORBERT GUTTENBERG
Tel Aviv, December 27.

Attracting Foreign Capital

By Our Economic Correspondent

ARE there good prospects of attracting foreign capital? One way to find the answer is to look into the activities of semi-public companies such as Rassco. Set up in the 'thirties to foster rural and urban settlement, this enterprise branched out in the 'fifties into attracting foreign investors, mainly in North America.

It is interesting that some of the pressing needs of the economy were met in this fashion. Building projects were carried out on a *landsmanschaften* basis, with Americans originally from Eastern Europe investing in housing for new Israelis from the same towns and villages as they — and doing so on a commercial basis by acquiring mortgages. When, after ten years, the money began to flow back it could be reinvested in the public buildings required for the development of the communities in which the projects were located — mostly in the vicinity of Tel Aviv.

A little later, Rassco interested foreign investors in developing a sizable stretch of property on the French Carmel, putting up 500 housing units with the help of a $200,000 loan. Here again, when the returns began to come in, they were re-invested. Shopping centres were put up in Tiberias and Nahariya, a big office building in Beersheba, a market in Natanya. All were planned to yield profits.

Orange Groves

Then came the expansion of orange groves as a top foreign currency earner. A subsidiary named Rassco Plantation began canvassing for investors among the middle classes here and abroad. The task was comparatively easy: prospective investors knew that oranges were Israel's main export, that they were a tried and tested paying proposition. In addition, Americans can claim part of the cultivation costs on any farming property they own as tax-free expenses. Rassco Plantation was thus able to sell 4,600 dunams abroad.

Another Rassco daughter company, Isras, tried to do for real estate what Rassco Plantation did for groves. Its paid-up capital of IL500,000 was drawn from investment in foreign exchange and from Bonds converted by the Government into pounds. It has thus assured the foreign investor of an eight-to ten per cent return (before taxes) in the past few years.

If we add to these activities the industries that have sprung up in connection with Rassco's building activities and its work as contractor for such foreign builders as Hadassah and the Bar-Ilan University, the prospects for attracting foreign capital, along with the companies' own business prospects, appear encouraging indeed. A closer look, however, discloses several obstacles to expansion that stem from the very way in which the Israel economy is financed.

The promoter of foreign investment necessarily competes with the Bond Drive and the United Jewish Appeal. Fulfilling as they do a very important function in Jewish life abroad, they have been consistently expanding, and their contributors are unlikely to consider further outlay, particularly since Israel is not yet widely known as an investment country, and the eight or ten per cent that an enterprise such as Israel may yield is still less, in the end, than what the investor can get out of some American enterprises.

One of the main obstacles to a higher return is the Israel tax system, which syphons off much of the profit despite all privileges conferred on new enterprises by the investment laws. (Freedom from income tax for seven years etc.) The number of new enterprises that are being approved for such privileges is appreciable, but sums involved in these private investments are still low in relation to public investments. Some of the big plants that have begun to function in the past few years either have a monopoly that is backed by the authorities' refusal to allow competing imports — viz the Hadera paper mill — or enjoy open or disguised government favour — viz the government request that our tire plants buy their nylon from a U.S. firm about to build a factory in this country.

Government Spending

There is no simple way of dissolving the paradoxes inherent in the present position. The Government is spreading its control over an ever-growing part of the economy, so that a constantly increasing proportion of the total production depends on it for credit. This must increase development budget allocations and government spending as a whole, resulting in turn in higher taxes and lower profits, so that established enterprises cannot plough back enough for modernization and re-equipment and foreign investors cannot be attracted on a broad front.

Must Cut Costs

There is no short-cut out of this impasse. In the long run, the only realistic way of attracting foreign capital is economic reform, cutting costs to raise profits to a competitive level. This is a drawn-out process in the best of circumstances. The need to start it appears particularly pressing in view of the fact that public income is already declining, so that private capital will have to make up the difference.

Bank Profits and Costs Revealed

Post Economic Reporter

NET profits of Israel banks reached a peak of IL5.2m. in 1954 and remained at IL4.7m. in the following two years, figures published for the first time in the last issue of the Bank of Israel survey reveal. As bank activity expanded rapidly during that period, the share of profits in total bank revenue dropped to 11.3 per cent in 1956, as compared with 19.5 per cent in 1954 and with as much as 31.9 per cent in 1950.

The relation of profits to own capital also declined from an average of over 37 per cent in 1952-55 to 27.2 per cent in 1956, as own means have been continuously increased to keep abreast of expanding activities from IL4.7m. in 1950 to IL12.3m. in 1954 and IL17.3m. in 1956.

It is of course to be borne in mind that the above figures refer to profits before tax which was 53 per cent for the years up to fiscal 1956/57 and was then increased to 63 per cent. On the other hand, the survey notes that the statistics at hand do not include some hidden reserves and profits made by subsidiary companies.

Bulk of Revenue

Interest and commissions on credits granted account for two-thirds of the banks' total revenue, which was IL41.7m. in 1956. Commissions for other bank services account for another fifth of the total. Up to 1952, income from securities also made up a considerable item, but today it has dropped to some four per cent of the total. On the other hand, interest from deposits in other banks (i.e. mainly the statutory liquidity deposits in the Bank of Israel) show a growing trend and were almost four per cent of the total revenue in 1956. Income from transactions in foreign currency brought in the remaining five per cent.

It is therefore obvious that credit control and the limitation of the rate of interest were mainly responsible for the banks' declining fortunes in recent years. It is also to be considered that a growing share of credits is granted from the Treasury deposits, on which the banks earn a reduced rate of interest.

The main item of the banks' expenses is the wage bill, which accounted for 51 per cent of total costs in 1956. Interest on deposits took up 21 per cent of costs, and municipal and property taxes about two per cent. The number of bank employees at the end of 1956, was 4,730 as compared with 2,510 at the end of 1951.

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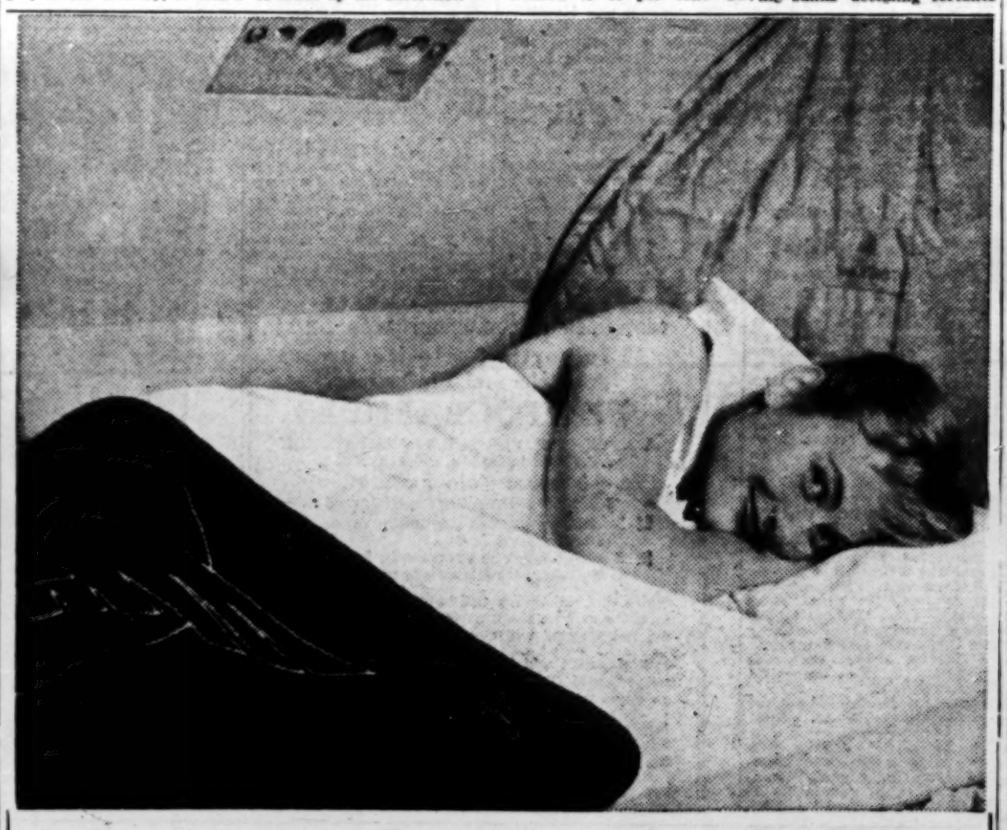

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